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AGENDA
2019 – 2020 BOARD OF GOVERNORS
Sunday, November 10, 2019 – 9:00 am to 4:00 pm
Salt Lake Marriott Downtown at City Creek, Salon F, 1st Floor

1. Opening of the Meeting (Start Time 9:00 am)

Breakfast at 8:30 am in Salons GH

- 1.1. Call to Order
Rich Laudenat
- 1.2. Adoption of the Agenda ACTION
- 1.3. President's Remarks (15 minutes) INFORMATION
Rich Laudenat
- 1.4. Executive Director/CEO's Remarks (15 minutes) INFORMATION
Tom Costabile
- 1.5. Consent Items for Action ACTION
Identification of items to be removed from Consent Agenda
Consent Items for Action are items the Board is asked to take action on as a group. Governors are encouraged to contact ASME Headquarters with their questions prior to the meeting as it is not expected that consent items be removed from the agenda.
 - 1.5.1. Approval of Minutes from September 25, 2019 Meeting
 - 1.5.2. By-Law Amendment – Member Development and Engagement
 - 1.5.3. By-Law Amendment – Diversity & Inclusion Strategy Committee, Volunteer Leadership Training, and the Industry Advisory Board, First Reading
 - 1.5.4. By-Law Amendments – Sector Management Committee and its Members, First Reading
 - 1.5.5. Policy 15.4 and Adoption of B-3.1.14 and B-3.3, Second Reading
 - 1.5.6. By-Law Amendment – Committee of Past Presidents
 - 1.5.7. ASME Vision and Mission Statements
 - 1.5.8. Proposed Appointments

2. Open Session Agenda Items

- 2.1. Diversity & Inclusion (30 minutes) DISCUSSION
Mahesh Aggarwal and Jennifer Cooper
- 2.2. TEC Organization (60 minutes) ACTION
Rich Laudenat and George Papadopoulos

BREAK (15 minutes)

- 2.3. The Future of Standards & Certification (30 minutes) DISCUSSION
 Sam Korellis and Claire Ramspeck
- 2.4. Culture Survey (30 minutes) DISCUSSION
 Tom Costabile and Laurel Raso

LUNCH (60 Minutes – Salons GH)

- 2.5. Strategy Advisory Committee (30 minutes) ACTION
 Rich Laudenat
- 2.6. Changes to the ASME Officer Nomination and Selection Process DISCUSSION
 Nicole Kaufman Dyess and Jared Oehring (30 minutes)
- 2.7. FY20 ED/CEO Goals (15 minutes) ACTION
 Tom Costabile

3. New Business

4. Open Session Information Items

- 4.1. Sector Management Committee Report
- 4.2. Financial Report
- 4.3. Dates of Future Meetings

DATE	DAY	TIME	LOCATION
January-February 2020	TBD	TBD	Conference Call
April 2020	TBD	TBD	Conference Call
June 14, 2020	Sunday	8:30 AM – 4:30 PM	Boston, Massachusetts
June 17, 2020*	Wednesday	10:00 – 3:00 PM	Boston, Massachusetts

*2020-2021 Board of Governors

5. Adjournment

List of Appendices

- 1.5.2. By-Law Amendment – Member Development and Engagement
- 1.5.3. By-Law Amendment – Diversity & Inclusion Strategy Committee, Volunteer Leadership Training, and the Industry Advisory Board, First Reading
- 1.5.4. By-Law Amendments – Sector Management Committee and its Members, First Reading
- 1.5.5. Policy 15.4 and Adoption of B-3.1.14 and B-3.3, Second Reading
- 1.5.6. By-Law Amendment – Committee of Past Presidents
- 1.5.7. ASME Vision and Mission Statements
- 1.5.8. Proposed Appointments
- 2.1 Diversity & Inclusion
- 2.2 TEC Organization
- 2.3 The Future of Standards & Certification
- 2.4. Culture Survey
- 2.5. Strategy Advisory Committee
- 2.6 Changes to the ASME Officer Nomination and Selection Process
- 2.7 FY20 ED/CEO Goals
- 4.1. Sector Management Committee Report
- 4.2. Financial Report



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 10, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	By-Law Amendment – Member Development and Engagement Sector

Agenda Item Executive Summary:

A new Member Development and Engagement (MDE) Sector is being formed to provide governance for sections, student sections and membership development.

The Group Engagement Committee, formed by the Board of Governors in June 2017, is being sunset.

Proposed motion for BOG Action: To approve new By-Law B5.6 and changes to By-Laws B4.3.8, B5.2.1 and B5.2.10.2 for first reading.

Attachment(s): New By-Laws.

B5.6 MEMBER DEVELOPMENT AND ENGAGEMENT SECTOR

B5.6.1.1 The Member Development and Engagement Sector, under the direction of the Board of Governors, is responsible for providing governance for professional sections, student sections, membership development, and the Old Guard Committee. The Member Development and Engagement Sector will maintain a current Sector Operation Guide that will contain operational details of the Member Development and Engagement Sector that are not in these By-Laws.

B5.6.1.2 The Member Development and Engagement Sector shall be led by a Council that consists of the following voting membership: a Senior Vice President as Chair; Chair, North American Regions; Chair, International Regions; Chair, Student Sections; Chair, Old Guard Committee; Communications and Tools Coordinator; Membership Development Coordinator; Finance Coordinator; and up to two members-at-large. The Director, Section Support is a voting member of the Sector Management Committee but is a non-voting member of the Council.

B5.6.1.3 The incoming Senior Vice President, Member Development and Engagement shall be nominated by the Member Development and Engagement Council from among its past or present volunteer members for appointment by the Board of Governors for a term of three years. In the event that a past or present volunteer member is not available from the Member Development and Engagement Council, then the Council shall defer to the Board of Governors for the selection.

B5.6.2.1 The following Committees will report directly to the Member Development and Engagement Council: the North America Regions Committee, the International Regions Committee, and the Student Sections/Early Career Engagement Committee.

B5.6.2.2 The North American Regions Committee, under the direction of the Member Development and Engagement Council, is responsible for the activities of the North American Sections. The Committee shall consist of the Chair, North American Regions, appointed by the Senior Vice President to a term of three years and the Northeast, Southeast, Midwest, Northwest, and Southwest Region Leaders.

B5.6.2.3 The International Regions Committee, under the direction of the Member Development and Engagement Council, is responsible for the activities of the Sections outside North America. The Committee shall consist of the Chair, International Regions, appointed by the Senior Vice President to a term of three years and the Asia-Pacific; Europe; Latin America and Caribbean; and Middle East and Africa Region Leaders.

B5.6.2.4 The Student Sections/Early Career Committee, under the direction of the Member Development and Engagement Council, is responsible for coordinating the Sector's activity with the Student and Early Career Development Sector. The Committee shall consist of the Chair, Student Sections, appointed by the Senior Vice President to a term of three years, and the Student Section Advisory Committee Chair, the Student Leader Training Chair, and the Early Career Programs Chair.

B5.6.2.5 The members-at-large shall be appointed by the Board of Governors as recommended

by the Member Development and Engagement Sector Council. The term of the members-at-large shall be up to three years.

B4.3 OFFICERS

B4.3.1 The officers shall perform the duties regularly or customarily attached to their offices under the laws of the State of New York, and such other duties as may be required of them by the Board of Governors or the Constitution and By-Laws.

B4.3.2 The President shall be the chief elected officer of the Society. They shall preside at all Business meetings of the Society and of the Board of Governors, and shall have such other powers and perform such other duties as the Board may from time to time prescribe. The President may not be an employee of the Society.

If the President is unable to preside at any meeting of the Board, the immediate past President shall preside. If that is not possible, the Board shall elect one of its voting members to be Chair of the meeting.

If the President is unable to preside at any Business Meeting of the Society, the immediate past President shall preside. If that is not possible, then the next most-recent available past President shall preside.

The term of the President shall begin at the close of the second Business Meeting of the fiscal year at a time designated by the Board.

B4.3.3 Each senior vice president shall be appointed by, and report to, the Board of Governors. Each senior vice president shall have such powers and perform such duties as the Board of Governors may from time to time prescribe.

B4.3.4.1 The Treasurer shall have such powers and perform such duties as the Board of Governors may from time to time prescribe. The Treasurer shall supervise, review and audit the activities of the Chief Financial Officer in carrying out the assigned duties as generally are incident to the position of Chief Financial Officer or as may be otherwise assigned to him or her by the Board of Governors. The Treasurer shall be a volunteer member of the Society.

B4.3.4.2 The Chief Financial Officer shall have charge of all funds and securities of the Society, shall endorse the same for deposit or collection when necessary and deposit the same to the credit of the Society in such banks or depositories as the Board of Governors may authorize. The Chief Financial Officer may endorse all commercial documents requiring endorsements for or on behalf of the Society and may sign all receipts and vouchers for payments made to the Society. They shall have all such further powers and duties as generally are incident to the position of Chief Financial Officer or as may be assigned to them by the Treasurer or the Board of Governors. In the absence or inability to act of the Treasurer, the Chief Financial Officer may perform all the duties and exercise all the powers of the Treasurer. The performance of any such duty shall, in respect of any other person dealing with the Society, be conclusive evidence of their power to act. The Chief Financial Officer shall be an employee of the Society. The Chief Financial Officer shall be an employee of the Society whose compensation is set by the Executive Director/CEO.

B4.3.4.3 The Assistant Treasurer shall have all such powers and duties as generally are incident to the position of Assistant Treasurer or as may be assigned to them by the Secretary or by the Board of Governors. In the absence or inability to act of the Secretary and the Chief Financial Officer, the Assistant Secretary may perform all the duties and

exercise all the powers of the Secretary and the Chief Financial Officer. The performance of any such duties shall, in respect of any other person dealing with the Society, be conclusive evidence of their power to act. The Assistant Treasurer shall be an employee of the Society.

B4.3.5 The Executive Director shall be an employee reporting directly to the Board, an ex officio member of the Board of Governors without vote and the chief executive officer of the Society. The Executive Director shall have supervision, direction and management of the business and affairs of the Corporation, including, but not limited to strategy, operations, finance, marketing, human resources and philanthropic efforts. The Executive Director shall have such powers and perform such duties as the Board of Governors may from time to time prescribe.

B4.3.6.1 The Secretary shall have the responsibility for the records of the Society, and shall have such powers and perform such duties as the Board of Governors may from time to time prescribe. The Secretary shall supervise, review and audit the activities of the Assistant Secretary in carrying out the assigned duties as generally are incident to the position of Assistant Secretary or as may be otherwise assigned to him or her by the Secretary or the Board of Governors. The Secretary shall be a volunteer member of the Society.

B4.3.6.2 The Assistant Secretary shall have all such powers and duties as generally are incident to the position of Assistant Secretary or as may be assigned to him or her by the Secretary or by the Board of Governors. In the absence or inability to act of the Secretary, the Assistant Secretary may perform all the duties and exercise all the powers of the Secretary. The performance of any such duties shall, in respect of any other person dealing with the Society, be conclusive evidence of his or her power to act. The Assistant Secretary shall be an employee of the Society.

B4.3.7 The Executive Director shall receive a salary that shall be fixed by the Board of Governors.

B4.3.8 Among the officers of the Society, there shall be the following senior vice presidents:

Senior Vice President for Public Affairs and Outreach

Senior Vice President for Standards and Certification

Senior Vice President for Student and Early Career Development

Senior Vice President for Membership Development and Engagement

Senior Vice President for Technical Events and Content

The term of each senior vice president shall be three years, beginning and ending at the second Business Meeting of the fiscal year. The terms of approximately one-third of the senior vice presidents shall end each year, according to a schedule approved by the Board of Governors.

B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.1 The sectors reporting to the Board of Governors shall be the Standards and Certification Sector, Technical Events and Content Sector, the Public Affairs and Outreach Sector, the Membership Development and Engagement Sector, and the Student and Early Career Development Sector.

Each sector shall be led by a council. The council of each sector shall consist of such voting members as specified in the sector By-Laws. Individuals, as may be required or designated pursuant to any statute, regulation, or court order or consent decree may also be voting or non-voting members of a sector council. A member of the senior staff of the sector, if any, may be a voting member of the sector council. The sector council may designate both volunteer and staff non-voting members.

The duties and responsibilities of the sectors shall be as designated from time to time by the Board of Governors. Each sector shall maintain its own operation guide as prescribed by Society Policy. Each sector shall be chaired by a senior vice president who shall serve a term of three years. Additional service as the same senior vice president may occur after an interruption of one or more years or following a partial term. Senior vice presidents shall attend meetings of the Board of Governors without vote.

B5.2.2 The following Standing Committees shall report to the Board of Governors and shall be appointed by the Board as determined in the By-Laws: Committee on Organization and Rules, Committee on Finance and Investment, Audit Committee, Committee on Executive Director Evaluation and Staff Compensation, Strategy Advisory Committee, Committee on Honors, Committee of Past Presidents, the Sector Management Committee and the Philanthropy Committee. Each Standing Committee shall maintain its own operation guide as prescribed by Society Policy. If a Standing Committee includes individuals who are not Governors, it is not a committee of the Board and may not bind the Board; provided, however, that the Committee on Finance and Investment may bind the Board with respect to investment matters without regard to whether it includes individuals who are not Governors.

B5.2.3.1 The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership, and shall reexamine regularly the Constitution, By-Laws and Policies of the Society.

B5.2.3.2 The Committee on Organization and Rules shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.4.1 The Committee on Finance and Investment, under the direction of the Board of Governors, shall have responsibility for supervising the financial and investment affairs of the Society, and supporting the Board and its committees by conducting an annual review of the Society's budgets.

B5.2.4.2 The Committee on Finance and Investment shall select its own Chair.

The Treasurer shall be an ex officio member of the Committee with vote and shall serve as Vice Chair. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

- B5.2.5.1 The Committee on Executive Director Evaluation and Staff Compensation, under the direction of the Board of Governors, shall have responsibility for making recommendations to the Board regarding the Executive Director's performance planning and evaluation and for making recommendations to the Board regarding the Executive Director's compensation, including salary and bonus recommendations.

The Committee shall also have the responsibility to advise the Board of Governors on activities of the Society's staff regarding: staff compensation, including bonus programs; volunteer/staff collaboration survey; staff planning and organization; staff training and development; staff and retiree benefit programs, including pension plans. The committee will also be responsible for staff related Society Policies P-7.1, (Recognition of Staff Members - 5 Years or More of Service) and P-7.2, (Staff Employment Guidelines).

In addition, the Committee has oversight responsibilities for the Pension Plan Trustees and the Retirement Plan Committee.

- B5.2.5.2 The Committee on Executive Director Evaluation and Staff Compensation shall consist of the President, the President-Nominee/Elect, the Immediate Past President and three current Board members at-large (serving staggered terms on the Board). The President and Immediate Past President are ex officio members of the committee with vote. The President-Nominee/Elect is an ex officio member of the Committee without vote. The Immediate Past President shall be the Chair. The incoming first-year Governor shall be selected by the President-Elect and approved by the Board of Governors.

The term of each of the current Board members at-large expires when their Board term expires.

- B5.2.5.3 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Chief Financial Officer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for additional full terms, a member-at-large must be nominated by the Committee on Executive Director Evaluation and Staff Compensation upon a finding by the Committee that specifies exceptional circumstances warranting the additional terms, and a written statement of such findings must accompany the nomination when

it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.

B5.2.5.4 The Retirement Plan Committee, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the ASME Thrift Plan, the ASME Defined Contribution (DC) Plan, the ASME 457(b) Plan, and the ASME 401(k) Plan documents, including to act as Plan Administrator and Named Fiduciary for such plans and assume such responsibilities as developing investment policy statements, selecting and monitoring investment choices, benchmarking Plan administration expenses and investment plan administrators performance and selecting, appointing and retaining plan investment, governance and plan administration compliance advisors, as well as having the power to make ministerial and technically required plan amendments.

The Retirement Plan Committee shall consist of four members: two members of the Executive Management Team, one member of the Human Resources Department and one Volunteer member of the Pension Plan Trustees. The three staff members will be nominated by the Executive Director and appointed at the discretion of the EDESC. The pension plan trustee shall be recommended by the Pension Plan Trustees and may be appointed at the discretion of the EDESC.

The ASME Staff members of the Committee may be members with vote for as long as they hold the positions described in this By-Law B5.2.5.4. The Pension Plan Trustee member's term will be for as long as they are a member of the Pension Plan Trustees.

B5.2.6.1 The Strategy Advisory Committee, under the direction of the Board of Governors, shall have responsibility for providing recommendations and guidance on tasks related to ASME's strategy and planning.

B5.2.6.2 The Strategy Advisory Committee shall consist of the President, two current Board members-at-large (serving staggered terms, one second year and one third year), one representative from the Industry Advisory Board, and the senior staff member responsible for Strategy. The incoming second-year Governor shall be selected by the President-Elect and approved by the Board of Governors. The term of the Board members-at-large expires when their Board term expires. The representative from the Industry Advisory Board will be recommended annually by the Chair of the Industry Advisory Board and approved by the Board of Governors.

B5.2.7.1 The Committee on Honors, under the direction of the Board of Governors, shall have responsibility for recommending properly selected candidates for honors, medals, Honorary Members, and awards, and as required shall recommend recipients of joint awards, all subject to approval by the Board of Governors. However, the Board may delegate to the Committee on Honors the power to approve candidates for any honor, medal or award other than Honorary Member or ASME Medalist.

B5.2.7.2 The Committee on Honors shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The Chair of the General Awards Committee shall be an ex officio member with vote. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.7.3 The General Awards Committee, under the direction of the Committee on Honors, shall seek candidates for all honors and awards except Honorary Members, the ASME Medal, and group-level awards, and shall screen nominations and make recommendations to the Committee on Honors.

The General Awards Committee shall consist of a Chair, a Vice Chair and a membership as determined by the Committee on Honors.

B5.2.7.4 Other Society award committees, including special award committees, shall in accordance with the policies and procedures administered by the Committee on Honors, seek nominees for honors in their several areas of interest, shall screen nominations, and make recommendations to the Committee on Honors.

B5.2.8.1 The Committee of Past Presidents, under the direction of the Board of Governors, shall have responsibility for electing Fellows, overseeing the ethical practice of engineering, and providing guidance on matters where its experience may be useful, upon request by the President, Board of Governors, and other units of the Society.

B5.2.8.2 The Committee of Past Presidents shall select its own Chair and Vice Chair. Its membership shall consist of all living Past Presidents.

B5.2.9.1 The Audit Committee, under the direction of the Board of Governors, shall have responsibility for overseeing the accounting and financial reporting process of the Society and the audit of its financial statements and report its activities to the Board. The Committee will be responsible for overseeing the adoption and implementation of, and compliance with, the Society Policies on whistleblowers and conflicts of interest. The Committee will annually consider the performance and independence of the independent auditor and recommend retaining or renewing the retention of the independent auditor to the Board. The Committee will liaise with the independent auditor prior to the commencement of the audit and upon completion of the audit, review and discuss the audit results and any related management letter with the auditor, including:

(a) any material risks and weaknesses in internal controls identified by the auditor;

(b) any restrictions on the scope of the auditor's activities or access to requested information;

(c) any significant disagreements between the auditor and management; and

(d) the adequacy of the Corporation's accounting and financial reporting processes.

B5.2.9.2 The Audit Committee shall consist of three current Board members-at-large (serving staggered terms on the Board) who serve as voting members. The Committee membership is determined by the Board of Governors and consists solely of "independent" members of the Board as defined under Section 102(a) (21) of the New York Not-for-Profit Corporation Law. The Chair shall be the senior Governor and the Vice Chair shall be the second-most senior Governor.

The Treasurer shall be an ex officio member of the Committee without vote. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. The President-Elect makes the recommendation on the incoming first-year

Board member-at-large. The term of the Board members-at-large expires when their Board term expires.

- B5.2.10.1 The Sector Management Committee, under the direction of the Board of Governors, shall have responsibility for facilitating communication and collaboration among the Sectors. This includes coordination, integration, and facilitation for implementation of the enterprise strategy with the development, maintenance and execution of the Integrated Operating Plan,
- B5.2.10.2 The Sector Management Committee shall consist of the Senior Vice Presidents ~~and the Chair of the Group Engagement Committee~~, their respective staff counterparts, and the staff member with overall responsibility for operations. The Co-Chairs of the Committee shall be the Senior Vice President in their third year and the staff member with overall responsibility for operations. The President-Nominee/elect will serve as an advisor to the Committee.
- B5.2.11.1 The Philanthropy Committee, under the direction of the Board of Governors, shall have responsibility for advising the Board of Governors and assisting the Society in connection with fundraising activities and philanthropic programs carried out using the Society's name or other resources.
- B5.2.11.2 The Philanthropy Committee shall select its own chair and vice chair. The ASME Executive Director, the ASME Managing Director of Philanthropy and the ASME Managing Director of Programs shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 10, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	By-Law Amendment – Diversity & Inclusion Strategy Committee, Volunteer Orientation and Leadership Training Academy, and the Industry Advisory Board

Agenda Item Executive Summary:

It is proposed that the Diversity & Inclusion Strategy Committee, the Volunteer Orientation and Leadership Training Academy, and the Industry Advisory Board become Committees that Report to the Board of Governors.

These changes affect Society Policy P-4.4 and By-Laws B5.2 and B-5.3. The action to be taken at the November Board of Governors meeting is to approve the changes to By-Laws B-5.2 and B-5.3 for first reading. The actions to be taken at the January-February 2020 Board of Governors meeting will be to adopt the changes to By-Laws B-5.2 and B-5.3 and to adopt the change to Society Policy P-4.4.

Proposed motion for BOG Action: To approve the additions of By-Laws B5.2.12, B5.2.13, and B5.2.14 and changes to By-Laws B-5.2.2 and B-5.3 for first reading.

Attachment(s): Revised Society Policy and By-Laws

B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.1 The sectors reporting to the Board of Governors shall be the Standards and Certification Sector, Technical Events and Content Sector, the Public Affairs and Outreach Sector and the Student and Early Career Development Sector.

Each sector shall be led by a council. The council of each sector shall consist of such voting members as specified in the sector By-Laws. Individuals, as may be required or designated pursuant to any statute, regulation, or court order or consent decree may also be voting or non-voting members of a sector council. A member of the senior staff of the sector, if any, may be a voting member of the sector council. The sector council may designate both volunteer and staff non-voting members.

The duties and responsibilities of the sectors shall be as designated from time to time by the Board of Governors. Each sector shall maintain its own operation guide as prescribed by Society Policy. Each sector shall be chaired by a senior vice president who shall serve a term of three years. Additional service as the same senior vice president may occur after an interruption of one or more years or following a partial term. Senior vice presidents shall attend meetings of the Board of Governors without vote.

B5.2.2 The following Standing Committees shall report to the Board of Governors and shall be appointed by the Board as determined in the By-Laws: Committee on Organization and Rules, Committee on Finance and Investment, Audit Committee, Committee on Executive Director Evaluation and Staff Compensation, Strategy Advisory Committee, Committee on Honors, Committee of Past Presidents, ~~the~~ Sector Management Committee, ~~and the~~ Philanthropy Committee, Diversity and Inclusion Strategy Committee, Industry Advisory Board, and Volunteer Orientation and Leadership Training Academy. Each Standing Committee shall maintain its own operation guide as prescribed by Society Policy. If a Standing Committee includes individuals who are not Governors, it is not a committee of the Board and may not bind the Board; provided, however, that the Committee on Finance and Investment may bind the Board with respect to investment matters without regard to whether it includes individuals who are not Governors.

B5.2.3.1 The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership, and shall reexamine regularly the Constitution, By-Laws and Policies of the Society.

B5.2.3.2 The Committee on Organization and Rules shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.4.1 The Committee on Finance and Investment, under the direction of the Board of Governors, shall have responsibility for supervising the financial and investment affairs of the Society, and supporting the Board and its committees by conducting an annual review of the Society's budgets.

B5.2.4.2 The Committee on Finance and Investment shall select its own Chair.

The Treasurer shall be an ex officio member of the Committee with vote and shall serve as Vice Chair. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.5.1 The Committee on Executive Director Evaluation and Staff Compensation, under the direction of the Board of Governors, shall have responsibility for making recommendations to the Board regarding the Executive Director's performance planning and evaluation and for making recommendations to the Board regarding the Executive Director's compensation, including salary and bonus recommendations.

The Committee shall also have the responsibility to advise the Board of Governors on activities of the Society's staff regarding: staff compensation, including bonus programs; volunteer/staff collaboration survey; staff planning and organization; staff training and development; staff and retiree benefit programs, including pension plans. The committee will also be responsible for staff related Society Policies P-7.1, (Recognition of Staff Members - 5 Years or More of Service) and P-7.2, (Staff Employment Guidelines).

In addition, the Committee has oversight responsibilities for the Pension Plan Trustees and the Retirement Plan Committee.

B5.2.5.2 The Committee on Executive Director Evaluation and Staff Compensation shall consist of the President, the President-Nominee/Elect, the Immediate Past President and three current Board members at-large (serving staggered terms on the Board). The President and Immediate Past President are ex officio members of the committee with vote. The President-Nominee/Elect is an ex officio member of the Committee without vote. The Immediate Past President shall be the Chair. The incoming first-year Governor shall be selected by the President-Elect and approved by the Board of Governors.

The term of each of the current Board members at-large expires when their Board term expires.

B5.2.5.3 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Chief Financial Officer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for additional full terms, a member-at-large must be nominated by the Committee on Executive Director Evaluation and Staff Compensation upon a finding

by the Committee that specifies exceptional circumstances warranting the additional terms, and a written statement of such findings must accompany the nomination when it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.

- B5.2.5.4 The Retirement Plan Committee, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the ASME Thrift Plan, the ASME Defined Contribution (DC) Plan, the ASME 457(b) Plan, and the ASME 401(k) Plan documents, including to act as Plan Administrator and Named Fiduciary for such plans and assume such responsibilities as developing investment policy statements, selecting and monitoring investment choices, benchmarking Plan administration expenses and investment plan administrators performance and selecting, appointing and retaining plan investment, governance and plan administration compliance advisors, as well as having the power to make ministerial and technically required plan amendments.

The Retirement Plan Committee shall consist of four members: two members of the Executive Management Team, one member of the Human Resources Department and one Volunteer member of the Pension Plan Trustees. The three staff members will be nominated by the Executive Director and appointed at the discretion of the EDESC. The pension plan trustee shall be recommended by the Pension Plan Trustees and may be appointed at the discretion of the EDESC.

The ASME Staff members of the Committee may be members with vote for as long as they hold the positions described in this By-Law B5.2.5.4. The Pension Plan Trustee member's term will be for as long as they are a member of the Pension Plan Trustees.

- B5.2.6.1 The Strategy Advisory Committee, under the direction of the Board of Governors, shall have responsibility for providing recommendations and guidance on tasks related to ASME's strategy and planning.
- B5.2.6.2 The Strategy Advisory Committee shall consist of the President, two current Board members-at-large (serving staggered terms, one second year and one third year), one representative from the Industry Advisory Board, and the senior staff member responsible for Strategy. The incoming second-year Governor shall be selected by the President-Elect and approved by the Board of Governors. The term of the Board members-at-large expires when their Board term expires. The representative from the Industry Advisory Board will be recommended annually by the Chair of the Industry Advisory Board and approved by the Board of Governors.
- B5.2.7.1 The Committee on Honors, under the direction of the Board of Governors, shall have responsibility for recommending properly selected candidates for honors, medals, Honorary Members, and awards, and as required shall recommend recipients of joint awards, all subject to approval by the Board of Governors. However, the Board may delegate to the Committee on Honors the power to approve candidates for any honor, medal or award other than Honorary Member or ASME Medalist.
- B5.2.7.2 The Committee on Honors shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The Chair of the General Awards

Committee shall be an ex officio member with vote. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.7.3 The General Awards Committee, under the direction of the Committee on Honors, shall seek candidates for all honors and awards except Honorary Members, the ASME Medal, and group-level awards, and shall screen nominations and make recommendations to the Committee on Honors.

The General Awards Committee shall consist of a Chair, a Vice Chair and a membership as determined by the Committee on Honors.

B5.2.7.4 Other Society award committees, including special award committees, shall in accordance with the policies and procedures administered by the Committee on Honors, seek nominees for honors in their several areas of interest, shall screen nominations, and make recommendations to the Committee on Honors.

B5.2.8.1 The Committee of Past Presidents, under the direction of the Board of Governors, shall have responsibility for electing Fellows, overseeing the ethical practice of engineering, and providing guidance on matters where its experience may be useful, upon request by the President, Board of Governors, and other units of the Society.

B5.2.8.2 The Committee of Past Presidents shall select its own Chair and Vice Chair. Its membership shall consist of all living Past Presidents.

B5.2.9.1 The Audit Committee, under the direction of the Board of Governors, shall have responsibility for overseeing the accounting and financial reporting process of the Society and the audit of its financial statements and report its activities to the Board. The Committee will be responsible for overseeing the adoption and implementation of, and compliance with, the Society Policies on whistleblowers and conflicts of interest. The Committee will annually consider the performance and independence of the independent auditor and recommend retaining or renewing the retention of the independent auditor to the Board. The Committee will liaise with the independent auditor prior to the commencement of the audit and upon completion of the audit, review and discuss the audit results and any related management letter with the auditor, including:

(a) any material risks and weaknesses in internal controls identified by the auditor;

(b) any restrictions on the scope of the auditor's activities or access to requested information;

(c) any significant disagreements between the auditor and management; and

(d) the adequacy of the Corporation's accounting and financial reporting processes.

B5.2.9.2 The Audit Committee shall consist of three current Board members-at-large (serving staggered terms on the Board) who serve as voting members. The Committee membership is determined by the Board of Governors and consists solely of "independent" members of the Board as defined under Section 102(a) (21) of the New York Not-for-Profit Corporation Law. The Chair shall be the senior Governor and the Vice Chair shall be the second-most senior Governor.

The Treasurer shall be an ex officio member of the Committee without vote. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. The President-Elect makes the recommendation on the incoming first-year Board member-at-large. The term of the Board members-at-large expires when their Board term expires.

- B5.2.10.1 The Sector Management Committee, under the direction of the Board of Governors, shall have responsibility for facilitating communication and collaboration among the Sectors. This includes coordination, integration, and facilitation for implementation of the enterprise strategy with the development, maintenance and execution of the Integrated Operating Plan,
- B5.2.10.2 The Sector Management Committee shall consist of the Senior Vice Presidents and the Chair of the Group Engagement Committee, their respective staff counterparts, and the staff member with overall responsibility for operations. The Co-Chairs of the Committee shall be the Senior Vice President in their third year and the staff member with overall responsibility for operations. The President-Nominee/elect will serve as an advisor to the Committee.
- B5.2.11.1 The Philanthropy Committee, under the direction of the Board of Governors, shall have responsibility for advising the Board of Governors and assisting the Society in connection with fundraising activities and philanthropic programs carried out using the Society's name or other resources.
- B5.2.11.2 The Philanthropy Committee shall select its own chair and vice chair. The ASME Executive Director, the ASME Managing Director of Philanthropy and the ASME Managing Director of Programs shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.12.1 The Diversity and Inclusion Strategy Committee, under the direction of the Board of Governors, shall have responsibility for providing insight and advice into promoting diversity and inclusion within ASME and mechanical engineering.

B5.2.12.2 The Diversity and Inclusion Strategy Committee shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.13.1 The Industry Advisory Board, under the direction of the Board of Governors, shall have responsibility for providing a voice for industry within ASME through the communication of the needs of engineers that are engaged in industry.

B5.2.13.2 The Industry Advisory Board shall select its own Chair and Vice Chair. Its membership shall be determined annually by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Board during their Presidential term.

B5.2.14.1 The Volunteer Orientation and Leadership Training Academy, under the direction of the Board of Governors, shall have responsibility for developing ASME's volunteer leadership. VOLT's programmatic offerings extend to volunteers serving throughout the Society at all levels.

B5.2.14.2 The Volunteer Orientation and Leadership Training Academy shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Academy during their Presidential term.

B5.3 PUBLIC AFFAIRS AND OUTREACH SECTOR

- B5.3.1.1 The Public Affairs and Outreach Sector, under the direction of the Board of Governors, is responsible for the coordinated outreach to industry, government, education, and the public. It is responsible for initiatives that address diversity and humanitarian programs. The Public Affairs and Outreach Sector will maintain a current Sector Operation Guide that will contain operational details of the Public Affairs and Outreach Sector that are not in these By-Laws.
- B5.3.1.2 The Public Affairs and Outreach Sector shall be led by a Council that consists of the following voting membership: a Senior Vice President as Chair; three members-at-large; and the Chairs for the following Board and Committees: Engineering Education Committee, Government Relations Committee, ~~Industry Advisory Board~~, Engineering for Global Development Committee, and Pre-College Education Committee, ~~and Diversity and Inclusion Strategy Committee~~. The Managing Director, Government Relations and Engineering Education, is a non-voting member.
- B5.3.1.3 The incoming Senior Vice President, Public Affairs and Outreach shall be nominated by the Public Affairs and Outreach Council from among its past or present volunteer members for appointment by the Board of Governors for a term of three years. In the event that a past or present volunteer member is not available from the Public Affairs and Outreach Council, then the Council shall defer to the Board of Governors for the selection. Chairs who have been elected to a term that extends more than one year into a new term of the Senior Vice President of Public Affairs and Outreach are not eligible to become the Senior Vice President.
- B5.3.1.4 The members-at-large shall be appointed by the Board of Governors, as recommended by the Public Affairs and Outreach Council. The term of the members-at-large shall be one year and they may be re-appointed for up to three terms.
- B5.3.2.1 The following Board and Committees will report directly to the Public Affairs and Outreach Council: the Engineering Education Committee, the Government Relations Committee, ~~the Industry Advisory Board~~, the Engineering for Global Development Committee, and the Pre-College Education Committee, ~~and the Diversity and Inclusion Strategy Committee~~.
- B5.3.2.2 The Engineering Education Committee, under the direction of the Public Affairs and Outreach Council, is responsible for the activities of the Society that relate to engineering education. The Committee shall consist of a Chair, Engineering Education and a membership as determined by the Public Affairs and Outreach Council.
- B5.3.2.3 The Government Relations Committee, under the direction of the Public Affairs and Outreach Council, is responsible for the development of programs for interaction between the Society and government at all levels. The Committee shall consist of a Chair, Government Relations and a membership as determined by the Public Affairs and Outreach Council. The Government Relations Committee shall recommend policies and procedures, and supervise activities that involve Society interaction with government entities.

~~B5.3.2.4 The Industry Advisory Board, under the direction of the Public Affairs and Outreach Council, is responsible for providing a voice for industry within ASME through the communication and advocacy of industry needs. The Industry Advisory Board shall consist of a Chair and Vice Chair, appointed by the Senior Vice President of the Public Affairs and Outreach Council and a membership, as determined by the Public Affairs and Outreach Council.~~

B5.3.2.45 The Engineering for Global Development Committee, under the direction of the Public Affairs and Outreach Council, shall be responsible for the collaboration among the engineering and global development stakeholders to create avenues and opportunities within ASME and mechanical engineering around the world to meet the challenges faced by under-served communities. The Committee shall consist of a Chair, appointed by the Senior Vice President, Public Affairs and Outreach, and a membership, as determined by the Public Affairs and Outreach Council.

B5.3.2.56 The Pre-College Education Committee, under the direction of the Public Affairs and Outreach Council, shall be responsible for educational activities aimed at enhancing pre-college science, technology, engineering, and mathematics education. The Committee shall consist of a Chair, appointed by the Senior Vice President, Public Affairs and Outreach, and a membership, as determined by the Public Affairs and Outreach Council.

~~B5.3.2.7 The Diversity and Inclusion Strategy Committee, under the direction of the Public Affairs and Outreach Council, shall provide insight and advice into promoting diversity within ASME and mechanical engineering. The Committee will consist of a Chair, appointed by the Senior Vice President, Public Affairs and Outreach and a membership, as determined by the Public Affairs and Outreach Council.~~



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SOCIETY POLICY

APPOINTMENT OF ASME VOLUNTEER PERSONNEL TO NON-ELECTED POSITIONS

I. PREFACE

- A. Successful accomplishment of ASME objectives, and hence its standing in the eyes of the profession and the public, depends in large measure on the quality of the work of the Society's units and its volunteers.
- B. It is the responsibility of those charged with nominating personnel to units of the Society to seek out members of ASME who both are motivated to serve and are able to accept the responsibilities involved.
- C. This Policy relates to the nomination and appointment of non-elected volunteer positions.
- D. Society Policy P-4.3, Qualifications of ASME Elected Officers, covers the positions of elected officers.
- E. Society Policy P-15.11, Diversity and Inclusion, states in part, "ASME shall dedicate time and resources to ensure the active participation as well as leadership opportunities of talented individuals from all segments of society."
- F. By-Law B5.2.3.1 states in part, "The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership ..."

II. PURPOSE

- A. To provide guides for selection and nomination of appointed volunteers relative to requirements of the position and term of service.
- B. To provide the procedure leading to appointment.

III. POLICY

- A. Sector Council, Board, or Committee Members.
 - 1. Qualifications
 - a. A full understanding of the purposes and objectives of the unit.
 - b. Experience, judgment, and motivation closely related to the work of the specific unit on which he or she is serving.
 - 2. Members-at-large of the Board of Governors should not serve as a member of any other unit except as specified in the By-Laws.

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B. Standing Committees Reporting to the Board of Governors

1. Committee on Organization and Rules, Committee on Finance and Investment, ~~and~~ Committee on Honors, Diversity and Inclusion Strategy Committee, and Volunteer Orientation and Leadership Training Academy.
 - a. A full term on these committees is defined as three years; partial year terms are permitted. The combination of partial and full terms cannot exceed six years.
 - b. Additional service beyond six consecutive years will be permitted only after the passage of at least two years or in the event of ex-officio service.
 - c. In the event of a nomination for more than one Past President to serve on the committee, a statement must accompany the nomination setting forth specific reasons why this appointment is in the best interest of the Society. The term of the appointment is one year and must be approved by the Board of Governors, taking into consideration the feedback from the Committee on Organization and Rules.
 - d. An individual shall not serve on more than one Standing Committee Reporting to the Board at the same time unless service on one or both of them is in an ex-officio capacity.
2. Audit Committee and Committee on Executive Director Evaluation and Staff Compensation
 - a. The President-Elect nominates Governors-elect for service on the Audit Committee and Committee on Executive Director Evaluation and Staff Compensation.
 - b. The President and Immediate Past President are ex officio members of the Committee on Executive Director Evaluation and Staff Compensation with vote. The President-Nominee/Elect is an ex officio member without vote.
3. Committee of Past Presidents
 - a. Membership is for lifetime
4. Philanthropy Committee
 - a. The Philanthropy Committee members are permitted to serve on one additional Standing Committee Reporting to the Board. In the event of a nomination for

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more than one Past President to serve on the committee, a statement must accompany the nomination setting forth specific reasons why this appointment is in the best interest of the Society. The term of the appointment is one year and must be approved by the Board of Governors, taking into consideration the feedback from the Committee on Organization and Rules.

5. Industry Advisory Board

The Industry Advisory Board membership shall be determined annually by the Board of Governors. Industry Advisory Board members are permitted to serve on one additional Standing Committee Reporting to the Board.

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~~5.~~ 6. The Operation Guides of all Standing Committees Reporting to the Board shall contain a specific leadership succession plan.

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C. Guidelines

1. Units of the Society are encouraged to seek out volunteers to serve that are not already serving in other capacities, unless serving as a representative of a parent unit or as a liaison.
2. Units are encouraged to strive for diversity and inclusion in volunteer leadership by making a conscious effort to take diversity and inclusion into account when filling vacancies as provided in Society Policy P-15.11.
3. Units are encouraged to continually solicit and train younger members in unit work.

D. Terms of Office

1. Unless otherwise specified in this policy, the term of office of a member of a sector, board, council or committee is specified in the respective Operation Guide.
2. Unless otherwise specified in this policy, individuals who have completed one or more terms of service to a unit may be reappointed for an additional term.
 - a. If the total continuous service in that position does not exceed two full terms, then the justification for reappointment shall be similar to the justification for the original appointment.
 - b. In the event of a reappointment for which total service would exceed two full terms, a statement must accompany the nomination setting forth specific reasons why this appointment is critical to the well-being of the unit, and the exceptional circumstances involved.

E. Membership

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1. All members of
 - a. standing committees reporting to the Board of Governors,
 - b. sector councils,
 - c. boards,
 - d. standing and special committees under committees, sector councils and boards,
 - e. technical division and sub-division executive committees
 - f. and all Society representatives to joint activities

shall be members of ASME.

2. Exceptions are permissible in those cases where non-members may be needed to serve on various technical committees and sub-committees or working groups to bring special skills to the task or to represent related organizations. When such non-members of ASME are nominated, the reasons for so doing must be set forth in making the proposal.

F. Inter-Sector Committees

The procedure for appointments to such committees is the same as to any regular board or committee.

G. Appointment and Nominating Responsibilities

1. The Operation Guide of each unit shall define members of the nominating committee for their unit. In addition, each guide will list positions, including the qualifications (e.g. knowledge and skills) necessary for such positions, and terms of office required. Each nominating committee will provide suitable candidates for consideration at least six months prior to commencement of the term.
2. The nominating responsibility can be achieved through direct nominations by the unit or by unit confirmation of nominating subcommittee recommendations.
3. In the case of the standing committees reporting to the Board of Governors, the members of each unit shall have nominating responsibility.

IV. PROCEDURE

A. Appointments Requiring Approval by the Board of Governors

1. The Committee on Organization and Rules shall be responsible for reviewing proposed nominations to the Board of Governors and providing a statement to the Board as to whether the nomination helps to ensure that the Society is supplied with:

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- a. qualified leadership to serve the current and future needs of the membership;
 - b. the active participation, as well as leadership opportunities, of talented individuals from all segments of the Society
 2. The statement from the Committee on Organization and Rules shall be provided prior to the appointments made by the Board of Governors, including all non-elected members of sector boards except for the position of senior vice president.
 3. All nominations for appointments specified in IV.A.1 shall be submitted to the Committee on Organization and Rules on a special nomination form. Staff members may sign the form on instructions from the sector or committee and on its behalf.
- B. Appointments Delegated to the Sectors
- Appointments to boards and committees under a sector are made by that sector's council
- C. Nominations for Appointments Delegated to the Sectors
1. Procedures for nominations will be included in each sector's operation guide.
 2. Units of the Society may find it beneficial to call on other units to provide recommendations for unit membership when needed expertise may be available from that area of the Society. Procedures for this option should be included in the operation guides of units.
- D. The nominee shall express his or her intent to serve for the entire appointment term involved.
- E. The nominee shall sign a statement of understanding of and compliance with Society Policies P-15.7 (Ethics), P-15.8 (Conflicts of Interest), and P-14.6 (Society Name, Logo, Seal ...).
- F. Appointed members who consistently do not attend meetings, reply to correspondence or carry out assigned tasks may be replaced at any time by the appointing unit using the above procedures.

Responsibility: Committee on Organization and Rules

Adopted: May 9, 1968

Revised: June 16-17, 1970
June 18, 1975
April 28, 1978
December 1, 1978

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June 25, 1980
March 21, 1984
(editorial changes 3/85)
November 21, 1985
(editorial changes 6/87)
September 8, 1988
(editorial changes 4/89)
(editorial changes 9/89)
June 14, 1995
(editorial changes 1/96)
(editorial changes 9/98)
(editorial changes 3/01)
November 16, 2001
June 1, 2005
June 8, 2008
June 14, 2009
(editorial changes 7/12)
(editorial changes 3/13)
(editorial changes 8/13)
(editorial changes 8/14)
(editorial changes 6/17)
June 3, 2018
June 5, 2019

Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 10, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	By-Law Amendments – Sector Management Committee and its Members

Agenda Item Executive Summary:

The attached By-Law amendments clarify the reporting requirements of Sector Senior Vice Presidents and Sector Management Committee to the Board of Governors and clarify the rules for participation of staff as voting members of SMC.

One aspect of this was handled during the June 2019 BOG meetings when B4.3.3 was amended to read: “Each senior vice president shall be appointed by, and report to, the Board of Governors. Each senior vice president shall have such powers and perform such duties as the Board of Governors may from time to time prescribe.”

Proposed motion for BOG Action: To approve changes to the attached By-Laws B5.2.10.1, B5.2.10.2, B5.2.1, B5.3.1.2, B5.4.1.2, B5.5.1.2, and B5.7.1.2 for first reading.

Attachment(s): By-Law changes.

The sector By-Laws should be made consistent to define the staff counterpart for the Senior Vice President and the fact that they do not vote on Council matters but do vote as part of the Sector Management Committee.

B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.1 The sectors reporting to the Board of Governors shall be the Standards and Certification Sector, Technical Events and Content Sector, the Public Affairs and Outreach Sector and the Student and Early Career Development Sector.

Each sector shall be led by a council. The council of each sector shall consist of such voting members as specified in the sector By-Laws. Individuals, as may be required or designated pursuant to any statute, regulation, or court order or consent decree may also be voting or non-voting members of a sector council. ~~A~~Members of the senior staff of the sector, if any, may be ~~a non-voting members~~ of the sector council. The sector council may designate both volunteer and staff non-voting members.

Commented [DJS1]: The Standards and Certification Sector has two non-voting Managing Directors.

The duties and responsibilities of the sectors shall be as designated from time to time by the Board of Governors. Each sector shall maintain its own operation guide as prescribed by Society Policy. Each sector shall be chaired by a senior vice president who shall serve a term of three years. Additional service as the same senior vice president may occur after an interruption of one or more years or following a partial term. Senior vice presidents shall attend meetings of the Board of Governors without vote.

B5.2.2 The following Standing Committees shall report to the Board of Governors and shall be appointed by the Board as determined in the By-Laws: Committee on Organization and Rules, Committee on Finance and Investment, Audit Committee, Committee on Executive Director Evaluation and Staff Compensation, Strategy Advisory Committee, Committee on Honors, Committee of Past Presidents, the Sector Management Committee and the Philanthropy Committee. Each Standing Committee shall maintain its own operation guide as prescribed by Society Policy. If a Standing Committee includes individuals who are not Governors, it is not a committee of the Board and may not bind the Board; provided, however, that the Committee on Finance and Investment may bind the Board with respect to investment matters without regard to whether it includes individuals who are not Governors.

B5.2.3.1 The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership, and shall reexamine regularly the Constitution, By-Laws and Policies of the Society.

B5.2.3.2 The Committee on Organization and Rules shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may

select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.4.1 The Committee on Finance and Investment, under the direction of the Board of Governors, shall have responsibility for supervising the financial and investment affairs of the Society, and supporting the Board and its committees by conducting an annual review of the Society's budgets.

B5.2.4.2 The Committee on Finance and Investment shall select its own Chair.

The Treasurer shall be an ex officio member of the Committee with vote and shall serve as Vice Chair. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.5.1 The Committee on Executive Director Evaluation and Staff Compensation, under the direction of the Board of Governors, shall have responsibility for making recommendations to the Board regarding the Executive Director's performance planning and evaluation and for making recommendations to the Board regarding the Executive Director's compensation, including salary and bonus recommendations.

The Committee shall also have the responsibility to advise the Board of Governors on activities of the Society's staff regarding: staff compensation, including bonus programs; volunteer/staff collaboration survey; staff planning and organization; staff training and development; staff and retiree benefit programs, including pension plans. The committee will also be responsible for staff related Society Policies P-7.1, (Recognition of Staff Members - 5 Years or More of Service) and P-7.2, (Staff Employment Guidelines).

In addition, the Committee has oversight responsibilities for the Pension Plan Trustees and the Retirement Plan Committee.

B5.2.5.2 The Committee on Executive Director Evaluation and Staff Compensation shall consist of the President, the President-Nominee/Elect, the Immediate Past President and three current Board members at-large (serving staggered terms on the Board). The President and Immediate Past President are ex officio members of the committee with vote. The President-Nominee/Elect is an ex officio member of the Committee without vote. The Immediate Past President shall be the Chair. The incoming first-year Governor shall be selected by the President-Elect and approved by the Board of Governors.

The term of each of the current Board members at-large expires when their Board term expires.

B5.2.5.3 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Chief Financial Officer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for additional full terms, a member-at-large must be nominated by the Committee on Executive Director Evaluation and Staff Compensation upon a finding by the Committee that specifies exceptional circumstances warranting the additional terms, and a written statement of such findings must accompany the nomination when it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.

B5.2.5.4 The Retirement Plan Committee, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the ASME Thrift Plan, the ASME Defined Contribution (DC) Plan, the ASME 457(b) Plan, and the ASME 401(k) Plan documents, including to act as Plan Administrator and Named Fiduciary for such plans and assume such responsibilities as developing investment policy statements, selecting and monitoring investment choices, benchmarking Plan administration expenses and investment plan administrators performance and selecting, appointing and retaining plan investment, governance and plan administration compliance advisors, as well as having the power to make ministerial and technically required plan amendments.

The Retirement Plan Committee shall consist of four members: two members of the Executive Management Team, one member of the Human Resources Department and one Volunteer member of the Pension Plan Trustees. The three staff members will be nominated by the Executive Director and appointed at the discretion of the EDESC. The pension plan trustee shall be recommended by the Pension Plan Trustees and may be appointed at the discretion of the EDESC.

The ASME Staff members of the Committee may be members with vote for as long as they hold the positions described in this By-Law B5.2.5.4. The Pension Plan Trustee member's term will be for as long as they are a member of the Pension Plan Trustees.

B5.2.6.1 The Strategy Advisory Committee, under the direction of the Board of Governors, shall have responsibility for providing recommendations and guidance on tasks related to ASME's strategy and planning.

B5.2.6.2 The Strategy Advisory Committee shall consist of the President, two current Board members-at-large (serving staggered terms, one second year and one third year), one representative from the Industry Advisory Board, and the senior staff member responsible for Strategy. The incoming second-year Governor shall be selected by the President-Elect and approved by the Board of Governors. The term of the Board members-at-large expires when their Board term expires. The representative from the Industry Advisory Board will be recommended annually by the Chair of the Industry Advisory Board and approved by the Board of Governors.

B5.2.7.1 The Committee on Honors, under the direction of the Board of Governors, shall have responsibility for recommending properly selected candidates for honors, medals, Honorary Members, and awards, and as required shall recommend recipients of joint awards, all

subject to approval by the Board of Governors. However, the Board may delegate to the Committee on Honors the power to approve candidates for any honor, medal or award other than Honorary Member or ASME Medalist.

B5.2.7.2 The Committee on Honors shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The Chair of the General Awards Committee shall be an ex officio member with vote. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.7.3 The General Awards Committee, under the direction of the Committee on Honors, shall seek candidates for all honors and awards except Honorary Members, the ASME Medal, and group-level awards, and shall screen nominations and make recommendations to the Committee on Honors.

The General Awards Committee shall consist of a Chair, a Vice Chair and a membership as determined by the Committee on Honors.

B5.2.7.4 Other Society award committees, including special award committees, shall in accordance with the policies and procedures administered by the Committee on Honors, seek nominees for honors in their several areas of interest, shall screen nominations, and make recommendations to the Committee on Honors.

B5.2.8.1 The Committee of Past Presidents, under the direction of the Board of Governors, shall have responsibility for electing Fellows, overseeing the ethical practice of engineering, and providing guidance on matters where its experience may be useful, upon request by the President, Board of Governors, and other units of the Society.

B5.2.8.2 The Committee of Past Presidents shall select its own Chair and Vice Chair. Its membership shall consist of all living Past Presidents.

B5.2.9.1 The Audit Committee, under the direction of the Board of Governors, shall have responsibility for overseeing the accounting and financial reporting process of the Society and the audit of its financial statements and report its activities to the Board. The Committee will be responsible for overseeing the adoption and implementation of, and compliance with, the Society Policies on whistleblowers and conflicts of interest. The Committee will annually consider the performance and independence of the independent auditor and recommend retaining or renewing the retention of the independent auditor to the Board. The Committee will liaise with the independent auditor prior to the commencement of the audit and upon completion of the audit, review and discuss the audit results and any related management letter with the auditor, including:

- (a) any material risks and weaknesses in internal controls identified by the auditor;
- (b) any restrictions on the scope of the auditor's activities or access to requested information;
- (c) any significant disagreements between the auditor and management; and
- (d) the adequacy of the Corporation's accounting and financial reporting processes.

B5.2.9.2 The Audit Committee shall consist of three current Board members-at-large (serving

staggered terms on the Board) who serve as voting members. The Committee membership is determined by the Board of Governors and consists solely of "independent" members of the Board as defined under Section 102(a) (21) of the New York Not-for-Profit Corporation Law. The Chair shall be the senior Governor and the Vice Chair shall be the second-most senior Governor.

The Treasurer shall be an ex officio member of the Committee without vote. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. The President-Elect makes the recommendation on the incoming first-year Board member-at-large. The term of the Board members-at-large expires when their Board term expires.

B5.2.10.1 The Sector Management Committee, under the direction of the Board of Governors, shall have responsibility for facilitating communication and collaboration among the Sectors. This includes coordination, integration, and facilitation for implementation of the enterprise strategy with the development, maintenance and execution of the Integrated Operating Plan,

B5.2.10.2 The ~~voting members of the~~ Sector Management Committee shall ~~be consist of~~ the Senior Vice Presidents ~~and the Chair of the Group Engagement Committee~~, their respective staff counterparts, and the staff member with overall responsibility for operations. The Co-Chairs of the Committee shall be ~~a the~~ Senior Vice President in their third year and the staff member with overall responsibility for operations. The President-Nominee/elect will serve as an advisor to the Committee.

B5.2.11.1 The Philanthropy Committee, under the direction of the Board of Governors, shall have responsibility for advising the Board of Governors and assisting the Society in connection with fundraising activities and philanthropic programs carried out using the Society's name or other resources.

B5.2.11.2 The Philanthropy Committee shall select its own chair and vice chair. The ASME Executive Director, the ASME Managing Director of Philanthropy and the ASME Managing Director of Programs shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

Commented [DJS2]: Given that the GEC is becoming a sector, this clause is no longer needed

Commented [DJS3]: Given that there will be 5 SVPs, there could be more than one serving in their third year some years. The SMC Operation Guide will address how that selection is made.

B5.3 PUBLIC AFFAIRS AND OUTREACH SECTOR

- B5.3.1.1 The Public Affairs and Outreach Sector, under the direction of the Board of Governors, is responsible for the coordinated outreach to industry, government, education, and the public. It is responsible for initiatives that address diversity and humanitarian programs. The Public Affairs and Outreach Sector will maintain a current Sector Operation Guide that will contain operational details of the Public Affairs and Outreach Sector that are not in these By-Laws.
- B5.3.1.2 The Public Affairs and Outreach Sector shall be led by a Council that consists of the following voting membership: a Senior Vice President as Chair; three members-at-large; and the Chairs for the following Board and Committees: Engineering Education Committee, Government Relations Committee, Industry Advisory Board, Engineering for Global Development Committee, Pre-College Education Committee, and Diversity and Inclusion Strategy Committee. The Managing Director, Global Public Affairs~~Government Relations and Engineering Education~~, is a voting member of the Sector Management Committee but is a non-voting member of the Council.
- B5.3.1.3 The incoming Senior Vice President, Public Affairs and Outreach shall be nominated by the Public Affairs and Outreach Council from among its past or present volunteer members for appointment by the Board of Governors for a term of three years. In the event that a past or present volunteer member is not available from the Public Affairs and Outreach Council, then the Council shall defer to the Board of Governors for the selection. Chairs who have been elected to a term that extends more than one year into a new term of the Senior Vice President of Public Affairs and Outreach are not eligible to become the Senior Vice President.
- B5.3.1.4 The members-at-large shall be appointed by the Board of Governors, as recommended by the Public Affairs and Outreach Council. The term of the members-at-large shall be one year and they may be re-appointed for up to three terms.
- B5.3.2.1 The following Board and Committees will report directly to the Public Affairs and Outreach Council: the Engineering Education Committee, the Government Relations Committee, the Industry Advisory Board, the Engineering for Global Development Committee, the Pre-College Education Committee, and the Diversity and Inclusion Strategy Committee.
- B5.3.2.2 The Engineering Education Committee, under the direction of the Public Affairs and Outreach Council, is responsible for the activities of the Society that relate to engineering education. The Committee shall consist of a Chair, Engineering Education and a membership as determined by the Public Affairs and Outreach Council.
- B5.3.2.3 The Government Relations Committee, under the direction of the Public Affairs and Outreach Council, is responsible for the development of programs for interaction between the Society and government at all levels. The Committee shall consist of a Chair, Government Relations and a membership as determined by the Public Affairs and Outreach Council. The Government Relations Committee shall recommend policies and procedures, and supervise activities that involve Society interaction with government entities.
- B5.3.2.4 The Industry Advisory Board, under the direction of the Public Affairs and Outreach Council, is responsible for providing a voice for industry within ASME through the communication and advocacy of industry needs. The Industry Advisory Board shall consist of a Chair and Vice Chair, appointed by the Senior Vice President of the Public Affairs and Outreach Council and a membership, as determined by the Public Affairs

and Outreach Council.

- B5.3.2.5 The Engineering for Global Development Committee, under the direction of the Public Affairs and Outreach Council, shall be responsible for the collaboration among the engineering and global development stakeholders to create avenues and opportunities within ASME and mechanical engineering around the world to meet the challenges faced by under-served communities. The Committee shall consist of a Chair, appointed by the Senior Vice President, Public Affairs and Outreach, and a membership, as determined by the Public Affairs and Outreach Council.
- B5.3.2.6 The Pre-College Education Committee, under the direction of the Public Affairs and Outreach Council, shall be responsible for educational activities aimed at enhancing pre-college science, technology, engineering, and mathematics education. The Committee shall consist of a Chair, appointed by the Senior Vice President, Public Affairs and Outreach, and a membership, as determined by the Public Affairs and Outreach Council.
- B5.3.2.7 The Diversity and Inclusion Strategy Committee, under the direction of the Public Affairs and Outreach Council, shall provide insight and advice into promoting diversity within ASME and mechanical engineering. The Committee will consist of a Chair, appointed by the Senior Vice President, Public Affairs and Outreach and a membership, as determined by the Public Affairs and Outreach Council.

B5.4 STANDARDS AND CERTIFICATION SECTOR

- B5.4.1.1 The Standards and Certification Sector, under the direction of the Board of Governors, is responsible for the activities of the Society relating to codes and standards, including related conformity assessment programs. The Standards and Certification Sector will maintain a current Sector Operation Guide that will contain operational details of the Standards and Certification Sector that are not in these By-Laws.
- B5.4.1.2 The Standards and Certification Sector shall be led by a Council on Standards and Certification (CSC) that consists of the following voting membership: a Senior Vice President as Chair; two Vice Chairs; no more than twelve members-at-large; the Chairs for the following Boards: Standardization and Testing, Nuclear Codes and Standards, Pressure Technology Codes and Standards, Safety Codes and Standards, Conformity Assessment, and Hearings and Appeals and the Energy and Environmental Standards Advisory Board. The non-voting membership of the Council shall consist of the ~~Associate Executive Director and the~~ Managing Directors, Standards and Certification. The Managing Director, Standards, is a voting member of the Sector Management Committee.
- B5.4.1.3 The incoming Senior Vice President of Standards and Certification shall be nominated by the Council on Standards and Certification from among its past or present Board Chairs and members-at-large for appointment by the Board of Governors for a term of three years. In the event that a past or present Board Chair or member-at-large is not available from the Council on Standards and Certification, then the Council shall defer to the Board of Governors for the Senior Vice President selection. Board Chairs who have been elected to a term that extends more than one year into a new term of the Senior Vice President of Standards and Certification are not eligible to become the Senior Vice President.
- B5.4.1.4 The twelve members-at-large and the CSC Vice Chairs shall be appointed by the Board of Governors, as recommended by the Council on Standards and Certification. The term of each member-at-large and CSC Vice Chairs shall be three years, with the terms of one-third of the members-at-large ending at the close of the second Business Meeting of the fiscal year.
- B5.4.2.1 The following Boards will report directly to the Council on Standards and Certification: Board on Standardization and Testing, Board on Nuclear Codes and Standards, Board on Pressure Technology Codes and Standards, Board on Safety Codes and Standards, Board on Conformity Assessment, Energy and Environmental Standards Advisory Board, Board on Codes and Standards Operations, Board on Strategic Initiatives, and the Board on Hearings and Appeals.
- B5.4.2.2 The Boards on Standardization and Testing; Nuclear Codes and Standards; Pressure Technology Codes and Standards; Safety Codes and Standards; and Conformity Assessment shall supervise the development of codes and standards within their respective charters, including the development of conformity assessment criteria for applicable codes and standards. The Board on Conformity Assessment shall also supervise the administration of conformity assessment programs. The Energy and Environmental Standards Advisory Board shall coordinate initiation of new Standards and Certification products and services addressing global energy and environmental needs. The Board on Codes and Standards Operations shall approve on behalf of the Council, matters of procedures and personnel, and shall advise the Council on operational matters, including honors, information services, legal considerations,

Commented [DJS4]: This specifies which of the two Managing Directors is the voting member.

continuous improvement, and planning. The Board on Strategic Initiatives shall advise the Council on trends, implications, strategic issues and planning. The Board on Hearings and Appeals shall be a forum for appeals resulting from grievances related to procedural due process in codes, standards, accreditation, registration, and certification activities.

B5.4.2.3 The Boards on Standardization and Testing; Nuclear Codes and Standards; Pressure Technology Codes and Standards; Safety Codes and Standards; and Conformity Assessment shall each consist of a Chair; one or more Vice Chairs, and a membership, as determined by the Council on Standards and Certification. The Energy and Environmental Standards Advisory Board shall consist of a Chair, a Vice Chair, and a membership, as determined by the Council on Standards and Certification. The Board on Codes and Standards Operations shall consist of the Vice Chair, Operations of the Council on Standards and Certification as Chair, the Chair of the Board on Hearings and Appeals as Vice Chair, and a membership, as determined by the Council on Standards and Certification. The Board on Strategic Initiatives shall consist of the Vice Chair, Strategic Initiatives of the Council on Standards and Certification as Chair, a Vice Chair, and a membership, as determined by the Council on Standards and Certification. The Board on Hearings and Appeals shall consist of a Chair, and a membership as determined by the Council on Standards and Certification.

B5.5 TECHNICAL EVENTS AND CONTENT SECTOR

- B5.5.1.1 The Technical Events and Content (TEC) Sector, under the direction of the Board of Governors, is responsible for activities of the Society relating to engaging individuals and groups in advancing engineering skill, art, science, knowledge and practice, and in planning, developing and delivering new technical content in the form of new products, services, networking opportunities, conferences, events and delivery mechanisms across ASME's market segments. The Technical Events and Content Sector will maintain a current Sector Operation Guide containing operational details of the Sector not covered in these By-Laws.
- B5.5.1.2 The Technical Events and Content Sector shall be led by a Sector Council that consists of the following voting membership: a Senior Vice President (SVP) as Chair, the Segment Representatives representing each of the designated Sector Market Segments as outlined in the Sector Operation Guide, the Chair of the Technical Committee on Publications and Communications, and up to five members-at-large. ~~The non-voting membership of the Sector Operating Council shall include staff as appointed by the Executive Director. The Managing Director, Technical Events and Content, is a voting member of the Sector Management Committee, but is a non-voting member of the Council.~~
- B5.5.1.3 The incoming Senior Vice President of the Technical Events and Content Sector shall be nominated by the Technical Events and Content Sector Council from among its past or present volunteer members for appointment by vote of the Board of Governors to a term of three years. In the event that a past TEC Sector Council member is not available, then the Sector Council will make a recommendation for a qualified candidate to the Board of Governors for consideration.
- B5.5.1.4 The Segment Representatives are nominated by the Segment Leadership Team Members within each defined Segment for an appointment by vote of the Technical Events and Content Sector Council to a term of up to three years. In all cases the appointment should best meet the qualifications for Segment and Sector Leadership and composition balance as outlined in the Sector Operations Guide.
- B5.5.1.5 The members-at-large shall be appointed by the Board of Governors as recommended by the Technical Events and Content Sector Council. The term of the members-at-large shall be up to three years.
- B5.5.1.6 The Technical Committee on Publications and Communications (TCPC) is responsible for publications of the Society, except that the Standards and Certification Sector shall be in charge of codes and standards. The Committee shall consist of a Chair and a membership as determined by the Technical Events and Content Council.

B5.7 STUDENT AND EARLY CAREER DEVELOPMENT SECTOR

- B5.7.1.1 The Student and Early Career Development Sector, under the direction of the Board of Governors, is responsible for meeting the needs and providing a voice for students and early career engineers. The Student and Early Career Development Sector will maintain a current Sector Operation Guide that will contain operational details of the Student and Early Career Development Sector that are not in these By-Laws.
- B5.7.1.2 The Student and Early Career Development Sector shall be led by a Council that consists of the following voting membership: a Senior Vice President as Chair; three members-at-large; and the Chairs of the following: the Student Programming Committee, the Early Career Engineer Programming Committee, and the E-Fest Steering Committee. The ~~Director, Student and Early Career Development and the Managing Director, Programs~~ is a voting member of the Sector Management Committee, but is a non-voting staff member of the Council.
- B5.7.1.3 The incoming Senior Vice President, Student and Early Career Development shall be nominated by the Student and Early Career Development Council from among its past or present volunteer members for appointment by the Board of Governors for a term of three years. In the event that a past or present volunteer member is not available from the Student and Early Career Development Council, then the Council shall defer to the Board of Governors for the selection. Chairs who have been elected to a term that extends more than one year into a new term of the Senior Vice President of the Student and Early Career Development Sector are not eligible to become the Senior Vice President.
- B5.7.1.4 The members-at-large shall be appointed by the Board of Governors, upon a recommendation of the Student and Early Career Development Council. The term of each member-at-large shall be one year. At least two of the three members-at-large shall have had previous activity within the Sector.
- B5.7.2.1 The following Committees will report directly to the Student and Early Career Development Council: the Early Career Engineer Programming Committee, the Student Programming Committee, and the E-Fest Steering Committee.
- B5.7.2.2 The Early Career Engineer Programming Committee, under the direction of the Student and Early Career Development Council, is responsible for the activities of the Society that relate to career development of early career engineers. The Committee shall consist of a Committee Chair, appointed by the Senior Vice President to a term of three years and a membership as determined by the Student and Early Career Development Council.
- B5.7.2.3 The Student Programming Committee, under the direction of the Student and Early Career Development Council, is responsible for development of programs for students. The Committee shall consist of a Committee Chair, appointed by the Senior Vice President to a term of three years and a membership as determined by the Student and Early Career Development Council.
- B5.7.2.4 The E-Fest Steering Committee, under the direction of the Student and Early Career Development Council, is responsible for the development of Engineering Festivals (E-Fests). The Committee shall consist of a Committee Chair, appointed by the Senior Vice President to a term of one year, renewable for up to three years, and a membership as determined by the Student and Early Career Development Council.

Commented [DJ55]: A similar By-Law will be written for the MDE Sector, if it is approved.

**ASME Board of Governors
Agenda Item
Cover Memo**

Date Submitted: October 17, 2019
BOG Meeting Date: November 10, 2019

To: Board of Governors
From: Committee on Organization and Rules
Presented by: Fred Stong
Agenda Title: Change to Society Policy P-15.4 and Adoption of B-3.1.14 and B-3.3

Agenda Item Executive Summary: *(Do not exceed the space provided)*

The Committee of Past Presidents, which has oversight responsibility for the ethical practice of engineering through the Ethics Committee, a subcommittee of the Committee of Past Presidents, is recommending changes to the procedures for handling an ethics case.

These changes affect Society Policy P-15.4 and By-Laws B3.1.14 and B-3.3. At the September Board of Governors meeting, the changes to By-Laws B-3.1.14 and B-3.3 were approved for first reading. The actions to be taken at the November Board of Governors meeting will be to adopt the changes to By-Laws B-3.1.14 and B-3.3 and to approve the changes to Society Policy P-15.4.

Proposed motion for BOG Action: *(if appropriate)*

To adopt changes to By-Laws B-3.1.14 and B-3.3 and approve changes for Society Policy P-15.4.

Attachments: Revised Policy and By-Laws.

CHANGES TO B3.1.14 and B3.3

B3.1.14 When a request is received for a member's resignation, the Membership staff will adjust the member's record. Member resignations are reported in the demographic report issued monthly.

After a complaint or charge of unethical conduct based on the provisions of the Constitution, By-Laws, or Code of Ethics has been filed against a member, the member may resign with the stipulation that the Society will not accept any later application for renewed membership. Nevertheless, the Society will accept an application for renewed membership if:

- a. The designated member of the ~~Investigative Panel-Committee of Past Presidents~~, in accordance with established policies and procedures, has certified to the Executive Director that the complaint has been examined and is not a matter for action by the Society; or
- b. The member has been cleared of all charges ~~by a Hearing Board~~ under the established procedures of the Society.

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B3.3.1 Any member who has been found ~~to have violated~~~~guilty of a charge of violating~~ the Constitution, By-Laws or Code of Ethics of the Society, may be expelled by the affirmative vote of seven members of the Board of Governors. ~~after being given the opportunity to be heard.~~

B3.3.2 The Board of Governors shall vote on the expulsion of any member only upon the recommendation of an ~~Investigative Panel-Hearing Board~~ appointed to hear the accusation and the defense. ~~The Board of Governors shall not be bound by the recommendation of the Investigative Panel and shall make its own determination of any disciplinary action.~~

B3.3.3 The ~~Investigative Panel-Hearing Board~~ which shall hear and present a report upon charges against an accused member shall be chosen from among ~~the available past Presidents of the Society's staff or membership (or both). Each Hearing Board will be appointed by the President of the Society~~ The Executive Director, in consultation with the Chair of the Ethics Committee, will appoint the members of an ~~Investigative Panel~~ ~~Hearing Board~~ and which will be specific to a particular case. Members of an ~~Investigative Panel~~ ~~Hearing Board~~ will continue to serve until the case assigned to that ~~Investigative Panel-Hearing Board~~ has been completed.

SOCIETY POLICY

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ETHICAL CONDUCT VIOLATION PROCEDURES

I. PREFACE

- A. Article C2.1.1 of the Constitution states in part, “The purposes of this Society are to: ... Promote a high level of ethical practice. In all professional and business relations the members of the Society shall be governed by the Code of Ethics as stated in the Society Policies.”
- B. By-Law B2.1 states in part: “To promote the art, science and practice of mechanical and multidisciplinary engineering and allied sciences to diverse communities throughout the world the Society shall:...

ETHICAL PRACTICE

Maintain a Code of Ethics of Engineers consistent with the standards of the profession.

Promote and encourage practice in the profession within this code.

Arrange for adjudication within the structure of the Society for violations of the code brought to its attention.”

- C. By-Law B3.3.1 states in part: “Any member who has been found to have violated the Constitution, By-Laws or Code of Ethics of the Society, may be expelled by the affirmative vote of seven members of the Board of Governors.”
- D. ASME requires ethical conduct by its members and adherence to the provisions of the Constitution, By-Laws, Society Policies, and the Code of Ethics. There may be occasions when a complaint of unethical conduct is filed against a member of the Society, and the following procedure is designed to ensure a prompt, thorough investigation and disposition of the matter. It is in the best interests of the member against whom a complaint has been filed, the Society, and the profession that such matters be handled in an impartial and confidential manner. Members and staff involved in the investigation and disposition of such cases shall not disclose particulars of any case except as required by their assigned duties.
- E. Occasionally, complaints are brought to the attention of the Society rising out of a dispute between an employer or employee or between the parties to a contract. Ordinarily, such disputes are properly resolved through legal and commercial channels and not through an ethics complaint and inquiry.
- F. The Ethics Committee and the Executive Director of the Society have the responsibility for implementing the procedure defined in this Society Policy.
- G. At any phase of a complaint the Executive Director may, at his or her discretion, request the advice of Legal Counsel.

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- i. An individual's ethical conduct shall be evaluated on the basis of the Code of Ethics and Conflicts of Interest Policies in effect on the date when a given action or omission took place. The review of such conduct, however, shall be conducted in accordance with the Ethical Conduct Violation Procedures in effect on the first date when a complaint is submitted. If the Ethical Conduct Violation Procedures are amended prior to the completion of the review process, such amendments shall not affect the review of pending matters except insofar as the Board of Governors, in amending the Ethical Conduct Violation Procedures, specifically approves retroactive effect for any portion or all of the amended Procedures.

II. PURPOSE

- A. To state the Society's policies related to alleged violation of the Code of Ethics and alleged violation of the Conflicts of Interest Policy.
- B. To provide a fair and responsible procedure for handling complaints and charges of violation of the Code of Ethics or the Conflicts of Interest Policy.

III. RESIGNATION

If a member against whom a complaint has been filed resigns prior to the final disposition of the case, or is administratively dropped from the Society's membership rolls (for reasons such as not paying dues in a timely manner, not signing a conflict of interest statement, etc.), the Society will accept the resignation or may initiate the termination of membership with the stipulation that the person may not reapply for membership. At its discretion the Society may continue the investigation and disposition of the case in accordance with this Society Policy. Member records of persons removed for unethical conduct violations, or administratively dropped while subject to the ethics violation process shall be kept by the Society.

IV. PROCEDURE

- A. Complaint Phase
 1. Any person contemplating a complaint under this Society Policy may (but is not required to) participate in the following consultative procedure prior to the submission of his or her complaint:
 - a. The person shall notify the Society's Managing Director, Governance, orally or in writing that he or she is considering the filing of an ethics complaint and wishes to participate in the Society's pre-complaint consultative procedure. This notification shall include the name(s) of the person(s) contemplating the complaint and the person(s) who would be subject to the complaint.
 - b. The Managing Director, Governance, shall promptly notify the members of the Ethics Committee, whereupon those members of the Committee

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- who have no conflict of interest with respect to the possible complaint(s) shall promptly draw lots to determine which of their number will provide pre-complaint consultation.
- c. Within thirty (30) days of the initial notification to the Managing Director, Governance, the Committee member selected by lot to provide pre-complaint consultation (the “consulting member”) shall notify the person contemplating a complaint and provide consultation to him or her with respect to:
 - i. The identification and clarification of the ethical issues, if any, presented by the proposed complaint.
 - ii. The completion of the Society’s complaint form in a manner that fulfills as nearly as possible the requirements of this Society Policy for complaints.
 - iii. The applicable procedures under this Society Policy, with the objective of assisting the person contemplating a complaint to understand the phases and nature of an ethics complaint under this Society Policy.
 - d. The consulting member shall at all times maintain neutrality and shall explain to the person contemplating a complaint that the role of the consulting member is limited to assisting the Society’s membership to ensure that there is fair access to a forum for the impartial consideration of good-faith ethics complaints.
 - e. Once a complaint is filed, the consultation period shall be concluded, and the consulting member shall thereupon recuse himself or herself from further review of or participation in the matter. Without limiting the generality of the foregoing, there may be no post-complaint consultation by the consulting member. Additionally, the consulting member may terminate the consultation period at any time at his or her discretion, without regard to whether a complaint is filed, if he or she concludes that further consultation would not serve a useful purpose.
2. To initiate action, a signed and dated written complaint shall be filed with the Executive Director of the Society. The written complaint must be prepared using the form of complaint supplied by the Society for this purpose and state with particularity (a) the name or names of those members of the Society who are the subject of the complaint (referred to hereinafter collectively as the “member subject to the complaint”), (b) those specific provisions of the Society’s Code of Ethics or the Conflicts of Interest Policy that the member subject to the complaint is alleged to have violated, and (c) the alleged facts that are alleged to establish each such alleged violation (including without limitation those specific provisions

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of the Constitution, By-Laws or Policies of the Society, if any, by which the subject(s) of the complaint have allegedly failed to abide). The complaint may be filed by any interested person or group within or outside the Society. The complaint shall conclude with the following statement by the complainant:

“All facts alleged in this complaint are, to the best of my knowledge, true, correct and complete, and I have neither knowingly misrepresented nor knowingly omitted any information that would be material to the evaluation of the merits of this complaint. I understand that if the foregoing statements are untrue and if I am a member of the American Society of Mechanical Engineers, I may have violated the Society’s Code of Ethics. I understand that the entire contents of my complaint including my identity may be disclosed to the individual or individuals referenced in my complaint during the course of any review of my complaint, and I consent to such disclosures.”

3. No complaint shall be maintained or upheld pursuant to this Society Policy unless such complaint is submitted to the Society pursuant to this Society Policy within three (3) years after:
 - a. the date of the incident (or last of a series of related incidents) constituting the alleged violation; or, if later,
 - b. the earliest date on which the complainant had knowledge, or on which a member of the Society reasonably should have had knowledge, that any such incident (or series of related incidents) might constitute a violation reportable under this Society Policy.

4. The Executive Director, upon receipt of a complaint of alleged unethical conduct, shall within thirty (30) days:
 - a. acknowledge receipt of the complaint to the complainant by Certified Mail,
 - b. ascertain whether the person against whom the complaint has been made is currently a member of the Society,
 - c. determine whether the complaint fulfills the requirements of IV.A.2, and
 - d. if the requirements of either IV.A.4.b or IV.A.4.c or both of them are not met, notify the complainant by certified mail (return receipt requested) that the complaint has been rejected because it fails to fulfill either IV.A.4.b or IV.A.4.c or both of them, as the case may be.

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Such complaint may be revised and resubmitted, and the date of any such resubmission shall be the submission date for purposes of IV.A.3.

5. If the complaint is not rejected pursuant to IV.A.4, the Executive Director shall within sixty (60) days of receipt of the complaint:
 - a. send the Chair of the Ethics Committee a copy of the complaint received, and
 - b. decide, with concurrence of the Chair of the Ethics Committee, whether the complaint is barred from further consideration
 - i. by reason of IV.A.3,
 - ii. because it involves a dispute between an employer or employee or between the parties to a contract which dispute is properly resolved through legal or commercial channels,
 - iii. because it raises issues that are trivial, frivolous or harassing in nature, or
 - iv. because the facts alleged in the complaint, even if true, would not constitute violations of the Code of Ethics or the Conflicts of Interest Policy.
6. If the complaint is barred as provided in IV.A.5.b, the Executive Director shall notify the complainant by Certified Mail that the complaint is barred for such of the reasons set forth in IV.A.5.b as shall apply.
7. If the Executive Director and the Chair of the Ethics Committee do not concur as to any matter for which their concurrence is required under IV.A.5.b, the matter shall be presented to the President of the Society, whose determination shall govern and may not be appealed, or, if the complaint shall involve the President as either a witness or the member subject to the complaint, the matter shall be presented to the Board of Governors (other than the President), whose determination shall govern and may not be appealed.
8. If the complaint is not rejected pursuant to IV.A.4 or IV.A.5, the Executive Director shall notify the complainant that the matter is being referred to the Ethics Committee within thirty (30) days of the determination by the Executive Director and Chair of the Ethics Committee, per Section IV.A.5, or by the President or Board of Governors per Section IV.A.7 that the complaint is not barred.
9. Within sixty (60) days of the notice sent to the complainant per Section IV.A.8, the Executive Director and the Chair of the Ethics Committee shall prepare (in

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consultation with legal counsel) a statement of preliminary charges and the Executive Director shall:

- a. Notify the member subject to the complaint, by certified mail (return receipt requested), that an ethics complaint has been filed,
 - b. Include with the notification a copy of the statement of preliminary charges and the following statement:
 - i. That the preliminary charges allege matters to be within the scope of the Code of Ethics or Conflicts of Interest Policy of the Society,
 - ii. That an investigation will be made to determine if the complaint is substantiated by the facts, and
 - iii. That the member is encouraged to submit a written response (of not more than ten (10) double-spaced letter-sized pages in Times New Roman type with a minimum font size of 10) to the complaint within thirty (30) days and to inform the Society of his or her preferred address.
 - c. In consultation with the Chair of the Ethics Committee, designate an Investigative Panel of no more than five members from the Society's staff or membership (or both) to conduct an investigation of the matter, and
 - d. Provide the Investigative Panel with a copy of the complaint and a copy of the statement of preliminary charges (the complaint and preliminary charges shall not foreclose the Investigative Panel from determining that there may have been violations of provisions of the Code of Ethics or the Conflicts of Interest Policy other than or in addition to those cited in the complaint or the preliminary charges).
10. Reasonable expenses incurred by the Investigative Panel shall be paid by the Society.
11. In any case in which a complaint or other written or oral submission in connection with the submission, investigation and review of an ethics complaint contains statements or makes omissions that may give rise to an ethics complaint against the individual making the complaint or other submission, the Executive Director shall submit the relevant information to the Secretary of the Society, whose responsibility it shall be to evaluate the information and determine whether to make an ethics complaint in respect of such individual's conduct. This Section IV.A.11 shall not limit the right of any other person to make a complaint in respect of such individual's conduct, provided the person making the complaint has properly obtained the information on which his or her complaint is based.

B. Investigative and Review Phase

1. The Investigative Panel shall hold individual conferences on the subject matter of the complaint with the member against whom a complaint has been filed, the complainant and any other persons known or believed to have knowledge of the matter (such other persons, the “witnesses”). In the conduct of these informal conferences, the following should be kept in mind by all concerned:
 - a. the purpose is to determine if there is cause for further action by the Society,
 - b. the investigation is not a legal hearing, but an informal conference to determine the facts in the matter, and the member is not “accused” by the Society in a legal sense,
 - c. the greatest tact must be exercised by the Investigative Panel,
 - d. if, during the conference, information is obtained that suggests the need to broaden the scope of the investigation, the Investigative Panel shall conduct such additional investigation before completing the investigation of the matter, and
 - e. at the start of each conference, the Investigative Panel shall advise each witness that the information may or may not be used in a written report and it may be furnished to the member subject to the complaint.
2. After the Investigative Panel is assured that all pertinent information concerning the matter has been secured, the Investigative Panel shall prepare a detailed written report giving all data concerning the matter and send the report to the Chair of the Ethics Committee. The Investigative Panel shall make one (1) of the following determinations:
 - a. That the facts, as found by the Investigative Panel, do not support the complaint and as such do not provide a sufficient basis for any further action by the Society, in which case the matter shall be handled as provided in IV.B.3, or
 - b. That the facts, as found by the Investigative Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is minor and as such does not warrant suspension or expulsion of the member subject to the complaint, in which case the matter shall be handled as provided in IV.B.4, or
 - c. That the facts, as found by the Investigative Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is more

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than minor and as such may warrant suspension or expulsion of the member subject to the complaint, pursuant to a formal statement of charges adopted by the Investigative Panel as a part of its determination, in which case the matter shall be handled as provided in IV.B.5.

Within thirty (30) days of a determination under this Section IV.B.2, the Chair of the Ethics Committee shall notify the Executive Director in writing of such determination. Such notification, in the case of a determination described in IV.B.2.c, to include the formal statement of charges adopted pursuant to IV.B.2.c.

3. If there is a determination, pursuant to IV.B.2.a, that the facts, as found by the Investigative Panel, do not support the complaint and as such do not provide a sufficient basis for any further action by the Society, the Executive Director shall within thirty (30) days of receiving the notification specified in IV.B.2:
 - a. notify the Board of Governors of the determination,
 - b. by certified mail (return receipt requested), notify the complainant, the member subject to the complaint and all witnesses who have been interviewed by the Investigative Panel that the matter is closed pursuant to this Section IV.B.3, and
 - c. close the official file on the matter and retain the file in the records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.

A complaint disposed of pursuant to this Section IV.B.3, even if the complaint is revised, may not be resubmitted.

4. If there is a determination by the Investigative Panel, pursuant to IV.B.2.b, that the facts, as found by the Investigative Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is minor and as such does not warrant suspension or expulsion of the member subject to the complaint, the Executive Director on behalf of the Investigative Panel shall within thirty (30) days of such determination send a letter of warning/admonishment to the member subject to the complaint by certified mail (return receipt requested) and
 - a. notify the Board of Governors of the determination,
 - b. by certified mail (return receipt requested), notify the complainant that the matter is closed pursuant to this Section IV.B.4 and if the matter is not resolved publicly that the resolution of the matter shall be held confidential and not revealed to any other party by the complainant.

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- c. by certified mail (return receipt requested), notify all witnesses who have been interviewed by the Investigative Panel that the matter has been resolved and is closed, and
 - d. close the official file on the matter and retain in the file records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.
5. If there is a determination, pursuant to IV.B.2.c, that the facts, as found by the Investigative Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is more than minor and as such may warrant suspension or expulsion of the charged, the Executive Director, within thirty (30) days of receipt of the notification described in IV.B.2 shall notify the President in writing that the matter will be submitted to the Board of Governors for determination. In making its determination, the Board of Governors shall not be bound by the recommendations of the Investigative Panel and may upon review of the complaint; (1) determine that the complaint is not supported by the facts; (2) determine that a lesser sanction such as a letter of warning/admonishment should be issued; or (3) suspend or expel the member. The Board of Governors should ordinarily make such determination in a closed session of the Board.

Within thirty (30) days of the rendering of a decision by the Board of Governors, the Executive Director shall:

- a. by certified mail (return receipt requested), notify the subject of the complaint of the resolution of the matter pursuant to this Section IV.B.5;
 - b. by certified mail (return receipt requested), notify the complainant that the matter is closed pursuant to Section IV.B.5 and if the matter is not resolved publicly that the resolution shall be held confidential and not revealed to any other parties by the complainant;
 - c. by certified mail (return receipt requested), notify all witnesses who had been interviewed by the Investigative Panel that the matter is closed, and
 - d. close the official file on the matter and retain in the files of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.
6. A complaint disposed of by the Board of Governors, even if the complaint is revised, may not be resubmitted.
7. All files concerning ethics complaints and the resolution thereof shall be confidential and may not be disclosed except by authority of the Board of Governors. The records shall be retained for a period of not less than ten (10) years from the date on which the initial complaint was received by the Society.

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The proceedings may be synopsisized and made anonymous for later publication for instructive purposes.

8. The membership shall be notified of all disciplinary actions taken by the Board of Governors under this Section IV.B for violations of the Code of Ethics or Conflicts of Interest Policy, by publication of a suitable notice in MECHANICAL ENGINEERING or ASME NEWS. The name of the disciplined member shall not be published. However, the action of the Board of Governors, including the name of the disciplined member, shall be reported to the section chair and appropriate Society officers.

Responsibility: Committee of Past Presidents/Ethics Committee

Reassigned from Centers Board of Directors/Center for Career and Professional Advancement/Committee on Ethical Standards and Review 2/2012

Reassigned from Centers Board of Directors/Center for Professional Development, Practice & Ethics/Committee on Ethical Standards and Review 4/23/09

Reassigned from Council on Member Affairs/Board on Professional Practice & Ethics 6/1/05

Adopted: June 18, 1975

Revised: September 29, 1978
June 25, 1980
November 17, 1983
(editorial changes 3/84)
June 14, 1985
(editorial changes 6/87)
(editorial changes 3/88)
June 18, 1989
June 6, 1990
(editorial change 2/94)
November 21, 1996
(editorial changes 9/97)
June 9, 1999
(editorial changes 6/02)
(editorial changes
September 23, 2005
November 5, 2006
(editorial changes in responsible unit 4/09)
(Unit Reassignment Due to Reorganization 2/12)
November 15, 2013
September xx, 2019



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SOCIETY POLICY

ETHICAL CONDUCT VIOLATION PROCEDURES

I. PREFACE

A. Article C2.1.1 of the Constitution states in part, "The purposes of this Society are to: ... Promote a high level of ethical practice. In all professional and business relations the members of the Society shall be governed by the Code of Ethics as stated in the Society Policies."

B. By-Law B2.1 states in part: "To promote the art, science and practice of mechanical and multidisciplinary engineering and allied sciences to diverse communities throughout the world the Society shall:..."

ETHICAL PRACTICE

Maintain a Code of Ethics of Engineers consistent with the standards of the profession.

Promote and encourage practice in the profession within this code.

Arrange for adjudication within the structure of the Society for violations of the code brought to its attention."

~~C.~~ ~~By-Law B3.3.1 states in part: "Any member who has been found to have violated the Constitution, By-Laws or Code of Ethics of the Society, may be expelled by the affirmative vote of seven members of the Board of Governors."~~

~~D.~~ ~~C.~~ ASME requires ethical conduct by its members and adherence to the provisions of the Constitution, By-Laws, Society Policies, and the Code of Ethics. There may be occasions when a complaint of unethical conduct is filed against a member of the Society, and the following procedure is designed to ~~insure~~ ensure a prompt, thorough investigation and disposition of the matter. It is in the best interests of the member against whom a complaint has been filed, the Society, and the profession that such matters be handled in an impartial and confidential manner. Members and staff involved in the investigation, ~~hearing~~ and disposition of such cases shall not disclose particulars of any case except as required by their assigned duties.

~~E.~~ ~~D.~~ Occasionally, complaints are brought to the attention of the Society rising out of a dispute between an employer or employee or between the parties to a contract. Ordinarily, such disputes are properly resolved through legal and commercial channels and not through an ethics complaint and inquiry.

~~F.~~ ~~E.~~ The Ethics Committee and the Executive Director of the Society have the responsibility for implementing the procedure defined in this Society Policy.

~~E.~~ ~~G.~~ At any phase of a complaint the Executive Director may, at his or her discretion, request the advice of Legal Counsel.

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~~i.~~ An individual's ethical conduct shall be evaluated on the basis of the Code of Ethics and Conflicts of Interest Policies ~~as~~ in effect on the date when a given action or omission took place. The review of such conduct, however, shall be conducted in accordance with the Ethical Conduct Violation Procedures in effect on the first date when a complaint is submitted. If the Ethical Conduct Violation Procedures are amended prior to the completion of the review process, such amendments shall not affect the review of pending matters except insofar as the Board of Governors, in amending the Ethical Conduct Violation Procedures, specifically approves retroactive effect for any portion or all of the amended Procedures.

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II. PURPOSE

- A. To state the Society's policies related to alleged violation of the Code of Ethics and alleged violation of the Conflicts of Interest Policy.
- B. To provide a fair and responsible procedure for handling complaints and charges of violation of the Code of Ethics or the Conflicts of Interest Policy.

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III. ~~POLICY~~RESIGNATION

If a member against whom a complaint has been filed resigns prior to the final disposition of the case, or is administratively dropped from the Society's membership rolls (for reasons such as not paying dues in a timely manner, not signing a conflict of interest statement, etc.), the Society will accept the resignation or may initiate the termination of membership with the stipulation that the person may not reapply for membership. At its discretion the Society may continue the investigation and disposition of the case in accordance with this Society Policy. Member records of persons removed for unethical conduct violations, or administratively dropped while subject to the ethics violation process ~~will~~ shall be kept by the Society.

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IV. PROCEDURE

~~IV.~~

A. Complaint Phase

- 1. Any person contemplating a complaint under this Society Policy may (but is not required to) participate in the following consultative procedure prior to the submission of his or her complaint:
 - a. The person shall notify the Society's Managing Director, Governance, orally or in writing that he or she is considering the filing of an ethics complaint and wishes to participate in the Society's pre-complaint consultative procedure. This notification shall include the name(s) of the person(s) contemplating the complaint and the person(s) who would be subject to the complaint.

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- b. The Managing Director, Governance, shall promptly notify the members of the Ethics Committee, whereupon those members of the Committee who have no conflict of interest with respect to the possible complaint(s) shall promptly draw lots to determine which of their number will provide pre-complaint consultation.
 - c. Within thirty (30) days of the initial notification to the Managing Director, Governance, the Committee member selected by lot to provide pre-complaint consultation (the "consulting member") shall notify the person contemplating a complaint and provide consultation to him or her with respect to:
 - i. —The identification and clarification of the ethical issues, if any, presented by the proposed complaint.
 - ii. —The completion of the Society's complaint form in a manner that fulfills as nearly as possible the requirements of this Society Policy for complaints.
 - iii. —The applicable procedures under this Society Policy, with the objective of assisting the person contemplating a complaint to understand the phases and nature of an ethics complaint under this Society Policy.
 - d. The consulting member shall at all times maintain neutrality and shall explain to the person contemplating a complaint that the role of the consulting member is limited to assisting the Society's membership to ensure that there is fair access to a forum for the impartial consideration of good-faith ethics complaints.
 - e. Once a complaint is filed, the consultation period shall be concluded, and the consulting member shall thereupon recuse himself or herself from further review of or participation in the matter. Without limiting the generality of the foregoing, there may be no post-complaint consultation by the consulting member. Additionally, the consulting member may terminate the consultation period at any time at his or her discretion, without regard to whether a complaint is filed, if he or she concludes that further consultation would not serve a useful purpose.
2. To initiate action, a signed and dated written complaint shall be filed with the Executive Director of the Society. The written complaint must be prepared using the form of complaint supplied by the Society for this purpose and state with particularity (a) the name or names of those members of the Society who are the subject of the complaint (referred to hereinafter collectively as the "member subject to the complaint"), (b) those specific provisions of the Society's Code of Ethics or the Conflicts of Interest Policy ~~which~~ that the

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member subject to the complaint is alleged to have violated, and (c) the alleged facts ~~which-that~~ are alleged to establish each such alleged violation (including without limitation those specific provisions of the Constitution, By-Laws or Policies of the Society, if any, by which the subject(s) of the complaint have allegedly failed to abide). The complaint may be filed by any interested person or group within or outside the Society. The complaint shall conclude with the following statement by the complainant:

-“All facts alleged in this complaint are, to the best of my knowledge, true, correct and complete, and I have neither knowingly misrepresented nor knowingly omitted any information ~~which-that~~ would be material to the evaluation of the merits of this complaint. -I understand that if the foregoing statements are untrue and if I am a member of the American Society of Mechanical Engineers, I may have violated the Society’s Code of Ethics. -I understand that the entire contents of my complaint including my identity may be disclosed to the individual or individuals referenced in my complaint during the course of any ~~Hearing Board~~ review of my complaint, and I consent to such disclosures.”

3. No complaint shall be maintained or upheld pursuant to this Society Policy unless such complaint is submitted to the Society pursuant to this Society Policy within ~~five~~three (3) years after:

- a. the date of the incident (or last of a series of related incidents) constituting the alleged violation; or, if later,
- b. the earliest date on which the complainant had knowledge, or on which a member of the Society reasonably should have had knowledge, that any such incident (or series of related incidents) might constitute a violation reportable under this Society Policy.

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4. The Executive Director, upon receipt of a complaint of alleged unethical conduct, shall within thirty (30) days:

- a. acknowledge receipt of the complaint to the complainant by Certified Mail,
- b. ascertain whether the person against whom the complaint has been made is currently a member of the Society,
- c. determine whether the complaint fulfills the requirements of IV.A.2, and

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- d. if the requirements of either IV.A.4.b or IV.A.4.c or both of them are not met, notify the complainant by certified mail (return receipt requested) that the complaint has been rejected because it fails to fulfill either IV.A.4.b or IV.A.4.c or both of them, as the case may be.

~~The rejection of a complaint pursuant to this IV.A.4 may not be appealed.~~ Such complaint may be revised and resubmitted, and the date of any such resubmission shall be the submission date for purposes of IV.A.3.

- 5. If the complaint is not rejected pursuant to IV.A.4, the Executive Director shall within sixty (60) days of receipt of the complaint:

- a. send the Chair of the Ethics Committee a copy of the complaint received, and
- b. decide, with concurrence of the Chair of the Ethics Committee, whether the complaint is barred from further consideration

- (i) by reason of IV.A.3,

- (ii) because it involves a dispute between an employer or employee or between the parties to a contract which dispute is properly resolved through legal or commercial channels,

- (iii) because it raises issues that are trivial, frivolous or harassing in nature, or

- (iv) because the facts alleged in the complaint, even if true, would not constitute violations of the Code of Ethics or the Conflicts of Interest Policy.

- 6. If the complaint is barred as provided in IV.A.5.b, the Executive Director shall notify the complainant by Certified Mail that the complaint is barred for such of the reasons set forth in IV.A.5.b as shall apply. ~~The rejection of a complaint pursuant to this IV.A.6 may not be appealed except in connection with the complainant's appeal, if any, pursuant to IV.A.8 of a rejection of the written explanation hereinafter provided for. However, the complainant may, within sixty (60) days of receipt of the Executive Director's notification and as the complainant's sole and exclusive remedy, submit to the Executive Director a written explanation of why the reasons for barring the complaint are unfounded. Such written explanation shall be signed and dated and shall conclude with the following statement:~~

~~"All facts alleged in this explanation are, to the best of my knowledge, true, correct and complete, and I have neither knowingly misrepresented nor knowingly omitted any information which would be material to the evaluation of the merits of this~~

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~~explanation or the complaint to which it relates. I understand that if the foregoing statements are untrue and I am a member of the American Society of Mechanical Engineers, I may have violated the Society's Code of Ethics. I understand that the entire contents of this explanation including my identity may be disclosed to the individual or individuals referenced in my complaint or this explanation during the course of any Hearing Board review of my complaint or this explanation and I consent to such disclosures."~~

~~The permitted lapse of time between the submission of the initial complaint and the submission of the written explanation described in this IV.A.6 shall be disregarded for purposes of applying IV.A.3. If such explanation is not timely submitted, the complaint is barred and, even if revised, the complaint may not be resubmitted. Once the complaint is barred, the Executive Director shall close the file on the matter and retain the file in the records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.~~

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~~7. The Executive Director shall within sixty (60) days of receipt of the written explanation, if any, received pursuant to IV.A.6:~~

- ~~a. send the Chair of the Ethics Committee a copy of the explanation received, and~~
- ~~b. decide, with concurrence of the Chair of the Ethics Committee, whether to accept the explanation and refer the complaint to the Ethics Committee (as provided below) or reject the explanation and the Executive Director shall notify the complainant by certified mail (return receipt requested) that the complaint has been rejected pursuant to this IV.A.7.~~

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~~8. The rejection of a written explanation pursuant to IV.A.7 may be appealed to the Ethics Committee, but only if the appeal is received by the Office of the Executive Director not more than sixty (60) days after the notification described in IV.A.7.b. Any such appeal shall conclude with the following statement by the member:~~

~~"All facts alleged in this appeal are, to the best of my knowledge, true, correct and complete, and I have neither knowingly misrepresented nor knowingly omitted any information which would be material to the evaluation of the merits of this appeal. I understand that if the foregoing statements are untrue, I may have violated the Society's Code of Ethics. I understand that the entire contents of this appeal including my identity may be disclosed to the individual or individuals referenced in my complaint or this appeal during the course of any Hearing Board review of my complaint and this appeal, and I consent to such disclosures."~~

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~~The appeal shall be denied unless the complainant demonstrates to the satisfaction of the Ethics Committee that the rejection of the written explanation and the~~

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~~underlying complaint was arbitrary and capricious, in which event the matter shall be handled as provided in IV.A.10. The decision of the Ethics Committee may not be appealed. If the rejection of the written explanation is not timely appealed or if the appeal is not sustained by the Ethics Committee, the complaint is barred and, even if revised, may not be resubmitted.~~

~~79.~~ If the Executive Director and the Chair of the Ethics Committee do not concur as to any matter for which their concurrence is required under IV.A.5.b ~~or IV.A.7.b~~, the matter shall be presented to the President of the Society, whose determination shall govern and may not be appealed, or, if the complaint shall involve the President as either a witness or the member subject to the complaint, the matter shall be presented to the Board of Governors (other than the President), whose determination shall govern and may not be appealed.

~~108.~~ If the complaint is not rejected pursuant to IV.A.4 or IV.A.5, the Executive Director shall notify the complainant that the matter is being referred to the Ethics Committee within thirty (30) days of the ~~last to occur:~~

~~(a) the~~ determination by the Executive Director and Chair of the Ethics Committee, per Section IV.A.5, or by the President or Board of Governors per Section IV.A.7 that the complaint is not barred.

~~(b) the determination by the Executive Director and Chair of the Ethics Committee, per Section IV.A.7, that the explanation has been accepted~~

~~(c) the vote of the Ethics Committee sustaining an appeal as described in IV.A.8 or~~

~~(d) the determination by the President or Board of Governors, per Section IV.A.9, sustaining an appeal.~~

~~9.~~ Within sixty (60) days of the notice sent to the complainant per Section IV.A.8 ~~last to occur of such events~~, the Executive Director and the Chair of the Ethics Committee shall prepare (in consultation with legal counsel) a statement of preliminary charges and the Executive Director shall:

- a. Notify the member subject to the complaint, by certified mail (return receipt requested), that an ethics complaint has been filed,
- b. Include with the notification a copy of the statement of preliminary charges and the following statement:
 - i. That the preliminary charges allege matters to be within the scope of the Code of Ethics or Conflicts of Interest Policy of the Society,

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- ii. That an investigation will be made to determine if the complaint is substantiated by the facts, and
 - iii. That the member is encouraged to ~~respond~~ submit a written response (of not more than ten (10) double-spaced letter-sized pages in Times New Roman type with a minimum font size of 10) to the complaint within thirty (30) days and to inform the Society of his or her preferred address.
- c. In consultation with the Chair of the Ethics Committee, designate an Investigative ~~or Panel of no more than five members~~ from the Society's staff or membership (or both) to conduct an investigation of the matter, and
 - d. Provide the Investigative ~~or Panel~~ with a copy of the complaint, ~~any written explanation provided pursuant to IV.A.6,~~ and a copy of the statement of preliminary charges (the complaint and preliminary charges shall not ~~to~~ foreclose the Investigative ~~Panel~~ from determining that there may have been violations of provisions of the Code of Ethics or the Conflicts of Interest Policy other than or in addition to those cited in the complaint or the preliminary charges).

10. Reasonable expenses incurred by the Investigative Panel shall be paid by the Society.

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~~The designation of an Investigator pursuant to this IV.A.10 may not be appealed.~~

~~11.~~ In any case in which a complaint or other written or oral submission ~~(including without limitation testimony at a Hearing)~~ in connection with the submission, investigation and review of an ethics complaint contains statements or makes omissions that may give rise to an ethics complaint against the individual making the complaint or other submission, the Executive Director shall submit the relevant information to the Secretary of the Society, whose responsibility it shall be to evaluate the information and determine whether to make an ethics complaint in respect of such individual's conduct. This Section IV.A.11 shall not limit the right of any other person to make a complaint in respect of such individual's conduct, provided the person making the complaint has properly obtained the information on which his or her complaint is based.

B. Investigative and Review Phase

- 1. The Investigative ~~Panel~~ shall hold individual ~~informal~~ conferences on the subject matter of the complaint with the member against whom a complaint has been filed, the complainant and any other persons known or believed to have knowledge of the matter (such other persons, the "witnesses"), ~~and shall~~

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~~advise each of them that his or her legal counsel, if desired, may be present at such conferences.~~ In the conduct of these informal conferences, the following should be kept in mind by all concerned:

- a. the purpose is to determine if there is cause for further action by the Society,
 - b. the investigation is not a legal hearing, but an informal conference to determine the facts in the matter, and the member is not "accused" by the Society in a legal sense,
 - c. the greatest tact must be exercised by the Investigator ~~or~~ ive Panel,
 - d. if, during the conference, information is obtained ~~which-that~~ suggests the need to broaden the scope of the investigation, the Investigator ~~or~~ ive Panel ~~must-shall~~ conduct such additional investigation before completing the investigation of the matter, and
 - e. at the start of each conference, the Investigator ~~or~~ ive Panel ~~should-shall~~ advise each witness that the information may or may not be used in a Hearing-written report and it may be furnished to the member subject to the complaint.
2. After the Investigator ~~or~~ ive Panel is assured that all pertinent information concerning the matter has been secured, ~~he or she-the Investigative Panel~~ shall prepare a detailed written report giving all data concerning the matter and send the report to the Chair of the Ethics Committee. The Investigative Panel shall make one (1) of the following determinations:
- ~~3. Reasonable expenses incurred by the Investigator shall be paid by the Society.~~
- ~~4. Based on a review of the report of the Investigator during a face to face meeting of a simple majority of the members of the Ethics Committee, the Committee shall make one (1) of the following determinations on the basis of the Investigator's report:~~
- a. That the facts, as found by the Investigator ~~or~~ ive Panel, do not support the complaint and as such do not provide a sufficient basis for any further action by the Society, in which case the matter shall be handled as provided in IV.B. 35, or
 - b. That the facts, as found by the Investigator ~~or~~ ive Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is minor and as such does not warrant suspension or expulsion of the

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member subject to the complaint, in which case the matter shall be handled as provided in IV.B.46, and IV.B.7, or

- c. That the facts, as found by the Investigative Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is ~~severe~~ more than minor and as such may warrant suspension or expulsion of the member subject to the complaint, pursuant to a formal statement of charges adopted by the ~~Ethics Committee Investigative Panel~~ as a part of its determination, in which case the matter shall be handled as provided in IV.B.5, in which case the matter shall be handled as provided in IV.B.8.

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Within thirty (30) days of a determination under this Section IV.B.24, the Chair of the Ethics Committee shall notify the Executive Director in writing of such determination. ~~Such notification, in the case of a determination described in IV.B.24.c, to include the formal statement of charges adopted pursuant to IV.B.42.c. A determination pursuant to this IV.B.4 may not be appealed.~~

- 35. If there is a determination, pursuant to IV.B.24.a, that the facts, as found by the Investigative Panel, do not support the complaint and as such do not provide a sufficient basis for any further action by the Society, the Executive Director shall within thirty (30) days of receiving the notification specified in IV.B.24:

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- a. notify the Board of Governors of the determination,
- b. by certified mail (return receipt requested), notify the complainant, the member subject to the complaint and all witnesses who have been interviewed by the Investigative Panel that the matter is closed pursuant to this Section IV.B.35, and
- c. ~~shall~~ close the official file on the matter and retain the file in the records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.

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A complaint disposed of pursuant to this Section IV.B.35, even if the complaint is revised, may not be resubmitted.

- ~~4.~~ 4. If there is a determination by the Investigative Panel, pursuant to IV.B.24.b, that the facts, as found by the Investigative Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is minor and as such does not warrant suspension or expulsion of the member subject to the complaint, the ~~Chair of the Ethics Committee~~ Executive Director on behalf of the Investigative Panel shall within thirty (30) days of such determination ~~notify the member subject to the complaint by certified mail (return receipt requested) (with a copy to the Ethics Committee and the Executive Director) that a letter of warning/admonishment is forthcoming at the end of a period of sixty (60) days,~~

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~~such notification to include a proposed draft of such letter of warning/admonishment.~~

- ~~5. At the end of the period of sixty (60) days described in IV.B.6, the Chair shall send the a letter of warning/admonishment to the member subject to the complaint by certified mail (return receipt requested) (with a copy to the Ethics Committee and the Executive Director) and, unless such member shall have timely appealed the determination to send the letter of warning/admonishment (pursuant to IV.C), after which appeal the Chair shall send the letter of warning/admonishment (insofar as the letter shall be determined in the appeal to be warranted) or shall send notification that the proposed letter of warning/admonishment is withdrawn (insofar as the letter shall be determined in the appeal to be unwarranted), such letter or notification to be sent to the member subject to the complaint by certified mail (return receipt requested) (with a copy to the Ethics Committee and the Executive Director) within thirty (30) days of the determination of his or her appeal pursuant to IV.C.5 or IV.E.9, as the case may be. Within thirty (30) days after the Chair sends a letter of warning/admonishment or notification that a proposed letter of warning/admonishment is withdrawn, the Executive Director shall:~~

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~~4.~~

~~a.~~

~~a. provide the Board of Governors with, as the case may be, a copy of the letter of warning/admonishment or a copy of the notification that the proposed letter of warning/admonishment is withdrawn,~~

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~~b. by certified mail (return receipt requested), notify the complainant and all witnesses who have been interviewed by the Investigator that the matter is closed pursuant to this IV.B.7, and~~

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~~c. shall close the official file on the matter and retain the file in the records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.~~

~~A complaint disposed of pursuant to this IV.B.7, even if the complaint is revised, may not be resubmitted.~~

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~~8. Notify the Board of Governors of the determination,~~

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~~b. by certified mail (return receipt requested), notify the complainant that the matter is closed pursuant to this Section IV.B.4 and if the matter is not resolved publicly that the resolution of the matter shall be held confidential and not revealed to any other party by the complainant.~~

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~~c. by certified mail (return receipt requested), notify all witnesses who have been interviewed by the Investigative Panel that the matter has been resolved and is closed, and~~

~~d. close the official file on the matter and retain in the file records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.~~

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~~5. If there is a determination, pursuant to IV.B.24.c, that the facts, as found by the Investigative Panel, appear to establish a violation of the Code of Ethics or Conflicts of Interest Policy that is ~~severe~~ more than minor, and as such may warrant suspension or expulsion of the charged, the Executive Director, within thirty (30) days of receipt of the notification described in IV.B.24~~

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~~a. shall notify the President in writing that the matter will be submitted to the Board of Governors for determination. In making its determination, the Hearing Board is mandated pursuant to IV.B.4 and shall provide the President with a copy of the complaint, a copy of the formal statement of charges against the charged member, and a copy of the Investigator's report, and~~

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~~b. shall notify the charged member in writing that a Hearing Board is mandated pursuant to IV.B.4 and that further information will be forthcoming once the Hearing Board has been appointed.~~

~~C. Appeal Phase (Proposed Letters of Warning/Admonishment)~~

~~1. No letter of warning/admonishment shall be sent at the end of the period of sixty (60) days described in IV.B.6 if the Executive Director of the Society shall receive before the end of such period from the member subject to the complaint either:~~

~~a. a signed written statement setting forth mitigating circumstances to explain why the member's alleged misconduct does not warrant a warning or admonishment;~~

~~b. a signed written request for a meeting or telephone conference with the Chair of the Ethics Committee to present mitigating circumstances to explain why the member's alleged misconduct does not warrant a warning or admonishment, or~~

~~c. a signed written statement alleging facts in addition to or different from those found by the Investigator, explaining why such alleged facts demonstrate that a warning or admonishment is not warranted, and requesting that the matter be referred to a Hearing Board for a determination;~~

~~provided in each case that the signed written statement or request is accompanied by the statement described in IV.C.2.~~

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~~2. Any written statement pursuant to IV.C.1.a or IV.C.1.c shall conclude with the following statement by the member subject to the complaint:~~

~~"All facts alleged in this statement are, to the best of my knowledge, true, correct and complete, and I have neither knowingly misrepresented nor knowingly omitted any information which would be material to the evaluation of the merits of this statement. I understand that if the foregoing statements are untrue, I may have violated the Society's Code of Ethics."~~

~~Any written request pursuant to IV.C.1.b shall conclude with the following statement by the member subject to the complaint:~~

~~"All facts that I will allege in the meeting or telephone conference I am hereby requesting will be, to the best of my knowledge, true, correct and complete, and I will not knowingly misrepresent or knowingly omit any information which would be material to the evaluation of the merits of the facts I will allege. I understand that if I make statements that are untrue, I may have violated the Society's Code of Ethics."~~

~~3. If a meeting or telephone conference is requested pursuant to IV.C.1.b, such meeting or telephone conference must take place, if at all, within thirty (30) days of the Executive Director's receipt of the written request for such meeting or telephone conference (unless the Chair of the Ethics Committee consents to extend such period). If it does not take place within such time period, a letter of warning/admonishment shall be issued as if no request had been timely submitted pursuant to IV.C.b.1. The Chair of the Ethics Committee shall designate the time and place of any meeting or telephone conference requested pursuant to IV.C.1.b and may request staff assistance by the Society.~~

~~4. Following consultation with the Ethics Committee, the Chair of the Committee shall determine, on the basis of the complaint, the report of the Investigator, and the information supplied pursuant to IV.C.1, whether and to what extent a letter of warning/admonishment is warranted or, if a Hearing Board has been requested, whether a Hearing Board is warranted. A determination pursuant to this IV.C.4 shall be made (and the Chair shall provide written notification to the Executive Director of such determination) not less than thirty (30) days after the first to occur of (i) the receipt of a written statement provided in accordance with IV.C.1.a or IV.C.1.c or (ii) the conduct of a meeting or telephone conference requested pursuant to IV.C.1.b. Except as provided in IV.D, a determination pursuant to this IV.C.4 may not be appealed.~~

~~5. If, pursuant to IV.C.4, a proposed letter of warning/admonishment is determined to be warranted or unwarranted, in whole or in part, the matter shall be handled as provided in IV.B.7 for situations in which proposed letters of warning/admonishment are appealed and deemed warranted or unwarranted,~~

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~~as the case may be. If a proposed letter of warning/admonishment is deemed warranted only in part, there shall be both a letter of warning/admonishment with respect to those matters deemed warranted and a notification of withdrawal of the proposed letter of warning/admonishment with respect to those matters deemed unwarranted. A determination that a Hearing Board is unwarranted shall be treated as a determination that a letter of warning/admonishment is warranted.~~

~~6. If, pursuant to IV.C.4, a Hearing Board is determined to be warranted, the Executive Director, within thirty (30) days of receipt of the notification described in IV.C.4~~

~~a. shall notify the President in writing that a Hearing Board is mandated pursuant to IV.C.4 and shall provide the President with a copy of the complaint, a copy of the Investigator's report, a copy of the proposed letter of warning/admonishment, a copy of the written statement described in IV.C.1.c, and a copy of the determination of the Chair of the Ethics Committee provided pursuant to IV.C.4.~~

~~b. shall notify the member who is subject to the complaint in writing that a Hearing Board is mandated pursuant to IV.C.4 and that further information will be forthcoming once the Hearing Board has been appointed.~~

~~D. Appeal Phase (Letters of Warning/Admonishment)~~

~~1. Notwithstanding the closure of a matter pursuant to IV.B.7.b, a member who receives a letter of warning/admonishment may appeal the matter to the Board of Governors, provided the letter of appeal is received by the Office of the Executive Director not later than thirty (30) days after the letter of warning/admonishment is sent to the member. Any such appeal shall conclude with the following statement by the member:~~

~~"All facts alleged in this appeal are, to the best of my knowledge, true, correct and complete, and I have neither knowingly misrepresented nor knowingly omitted any information which would be material to the evaluation of the merits of this appeal. I understand that if the foregoing statements are untrue, I may have violated the Society's Code of Ethics."~~

~~2. A member's appeal shall be disqualified if it is made directly to members of the Board of Governors or is accompanied by direct communications with the Board of Governors. The member and his or her legal counsel shall be permitted to meet with the Board of Governors only at its option. The appeal shall be denied unless the member demonstrates to the satisfaction of the Board of Governors (a) that the procedure for issuance of such a letter was not followed and (b) that no letter of warning/admonishment was warranted.~~

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~~3. In the event of an appeal, the Board of Governors may elect to remand the matter to the Chair of the Ethics Committee for further consideration, in which case a further unfavorable determination may not be appealed other than for a further failure to follow the procedure for the issuance of a letter of warning/admonishment.~~

~~E. Hearing Phase~~

~~1. The President shall, within thirty (30) days of receipt of the notification described in IV.B.8 or IV.C.6 appoint a Hearing Board composed of three (3), four (4), or five (5) members of the Committee of Past Presidents, such appointment to be made by certified mail (return receipt requested). The President shall include with the appointment a copy of the materials supplied to the President pursuant to IV.B.8 or IV.C.6, as the case may be. The President shall designate one (1) member of the Hearing Board as its Chair. The President shall simultaneously notify the Executive Director and the Board of Governors of the appointees to the Hearing Board. The appointment of the members of a Hearing Board and the appointment of its Chair may not be appealed.~~

~~2. At the time the Hearing Board is appointed, the President shall also designate one (1) additional member of the Committee of Past Presidents as an alternate member of the Hearing Board. Once the alternate appointee has joined the Hearing Board, the President shall have the authority to fill any other vacancies which arise by reason of the resignation or death of a Hearing Board appointee. Notwithstanding the foregoing, no alternate appointee may join the Hearing Board and no vacancy may be filled after the commencement of the Hearing.~~

~~3. Each appointee shall review promptly the materials provided pursuant to IV.E.1 and shall notify the President within thirty (30) days of receipt of such materials of his or her resignation from the Hearing Board if there exists any conflict of interest, friendship, prejudice, or other prejudice that might interfere with his or her ability to consider the matter in a disinterested manner, whereupon the alternate member of the Hearing Board shall join the Hearing Board.~~

~~4. Promptly upon receipt of notification of the President's appointees to the Hearing Board, the Office of the Executive Director shall contact the charged member (in matters described in IV.B.8) or the member subject to the complaint (in matters described in IV.C.6) in writing or by telephone in order to ascertain dates, times and locations that would be convenient or inconvenient for the Hearing. The Office of the Executive Director shall provide the information to the Chair of the Hearing Board. Such information is ascertained as a courtesy only, and the Hearing Board shall in no way be limited in setting the date, time and location of the Hearing by reason of such information.~~

~~5. Within thirty (30) days of notification of their appointment, the members of the Hearing Board shall confer by telephone or other means to determine a~~

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~~convenient date, time and place for the Hearing. The date selected shall be such as to afford at least thirty (30) days' notice of the Hearing to the following "interested parties": the complainant, the charged member or member subject to the complaint, the Investigator and all other persons who will be invited to provide testimony at the Hearing.~~

~~6. The Executive Director shall notify the interested parties by certified mail (return receipt requested) of the date, time and place of the Hearing. In matters described in IV.B.8, the notification to the charged member shall be accompanied by a copy of the statement of charges. In matters described in IV.B.8 or IV.C.6, the notification to the charged member or member subject to the complaint, as the case may be, shall also be accompanied by a copy of the report of the Investigator.~~

~~7. In order to respond to the statement of charges or the proposed letter of warning/admonishment, the charged member or member subject to the complaint, as the case may be, is eligible (but not required) (a) to appear at the Hearing in person, with legal counsel if desired, and (b) to provide a written statement to the Hearing Board. Although the member's attendance is not required, he or she is urged to attend.~~

~~8. The Hearing shall be conducted as follows:~~

~~a. Attendance at Hearings shall be limited to:~~

- ~~1) members of the Hearing Board,~~
- ~~2) the Executive Director and other designated Society staff members,~~
- ~~3) the Investigator,~~
- ~~4) the charged member or the member subject to the complaint, as the case may be, and his or her invitees~~
- ~~5) the complainant,~~
- ~~6) witnesses,~~
- ~~7) a qualified court reporter,~~
- ~~8) Legal counsel for the Society and for any of the above if desired,~~
- ~~9) observers from the Ethics Committee.~~

~~b. The charged member or member subject to the complaint, as the case may be, and his or her counsel shall have the right to be present throughout the Hearing and the right to question any witness, the complainant, if present, and the Investigator.~~

~~c. A record of the Hearing shall be made by a qualified court reporter. A transcript will be prepared of the Hearing and a copy made for the Society and a copy made for the charged member or member subject to the complaint, as the case may be.~~

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- ~~_____ d. The Chair of the Hearing Board shall preside.~~
- ~~_____ 9. The Agenda for the Hearing shall be as follows:~~
 - ~~_____ a. Opening statement by the Chair of the Hearing Board containing a summary of the issues before the Hearing Board (to be accompanied with distribution to all present of the statement of charges or the proposed letter of warning/admonishment, as the case may be).~~
 - ~~_____ b. Statement by the Chair that the Hearing Board will limit its deliberations and voting to the statement of charges or the proposed letter of warning/admonishment, as the case may be.~~
 - ~~_____ c. Opening statement by the charged member or member subject to the complaint, as the case may be, or his or her counsel (the opening statement to be made at the option of the charged member or member subject to the complaint).~~
 - ~~_____ d. Presentation by the Investigator of evidence relating to the matter.~~
 - ~~_____ e. Defense or rebuttal by the charged member or member subject to the complaint (the defense or rebuttal to be made at the option of the charged member or member subject to the complaint). (If no defense or rebuttal is presented either in person or in writing, the Hearing Board shall proceed with the Hearing on the basis of the statement of charges or proposed letter of warning/admonishment, as the case may be, the materials presented to the Hearing Board pursuant to IV.E.1, and Investigator's oral presentation at the Hearing).~~
 - ~~_____ f. A short recess to allow the Hearing Board members opportunity to review the evidence and prepare questions.~~
 - ~~_____ g. Opportunity for members of the Hearing Board to question any witness; the charged member or member subject to the complaint, as the case may be, if present; the complainant if present; and the Investigator.~~
 - ~~_____ h. Closing statements, if desired, by the Investigator and by the charged member or member subject to the complaint, as the case may be, or his or her counsel (the closing statement by or on behalf of the charged member or member subject to the complaint to be made at the option of that member).~~
 - ~~_____ i. The Chair shall then close the Hearing and the Hearing Board shall go into executive session to discuss the evidence presented and reach a decision.~~
- ~~10. An alleged violation of the Code of Ethics or Conflicts of Interest Policy shall be sustained or deemed to have been proven only if the preponderance of the~~

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~~evidence establishes facts which, if true, would constitute a violation of the Code of Ethics or Conflicts of Interest Policy. Accordingly, the Hearing Board is charged with evaluating both (a) the sufficiency of the allegations to establish a violation of the Code of Ethics or Conflicts of Interest Policy and (b) the truth of those allegations.~~

~~11. The Hearing Board shall determine the case by voting by ballot. A majority vote of the entire Hearing Board shall prevail.~~

~~12. The following procedure will be followed sequentially in the case of matters involving the appeal of a proposed letter of warning/admonishment:~~

~~a. With respect to each provision of the Code of Ethics or Conflicts of Interest Policy alleged in the proposed letter to have been violated, the Hearing Board shall determine in a separate ballot with respect to each such provision whether the alleged violation has been sustained or proven.~~

~~b. If no alleged violation is voted to have been sustained or proven, the member subject to the complaint shall be declared "cleared of all allegations," whereupon the procedure in IV.B.7 for situations in which proposed letters of warning/admonishment are appealed and deemed unwarranted shall be followed.~~

~~c. If any alleged violation is voted to have been sustained or proven, the issuance of a letter of warning/admonishment with respect to those violations only shall be deemed to be warranted, whereupon the procedure in IV.B.7 for situations in which proposed letters of warning/admonishment are appealed and deemed warranted shall be followed.~~

~~d. If a proposed letter of warning/admonishment is deemed warranted only in part, there shall be both a letter of warning/admonishment with respect to those matters deemed warranted and a notification of withdrawal of the proposed letter of warning/admonishment with respect to those matters deemed unwarranted.~~

~~e. Except as provided in IV.D, a determination pursuant to this IV.E.12 may not be appealed.~~

~~f. The remaining portions of IV.E shall not apply with respect to matters involving the appeal of a proposed letter of warning/admonishment.~~

~~13. The following procedure will be followed sequentially in the case of matters involving a statement of charges:~~

~~a. With respect to each provision of the Code of Ethics or Conflicts of Interest Policy alleged in the statement of charges to have been violated, the Hearing~~

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~~Board shall determine in a separate ballot with respect to each such provision whether the alleged violation has been sustained or proven.~~

~~b. If no alleged violation is voted to have been sustained or proven, the member subject to the complaint shall be declared "cleared of all charges."~~

~~c. If one (1) or more charges are sustained, a ballot shall be taken on the question: "Shall the Hearing Board recommend that the charged member be expelled from the Society?" A vote of two thirds of the entire Hearing Board shall be required for expulsion.~~

~~d. If the ballot on expulsion fails to carry, a ballot shall then be taken on the question: "Shall the Hearing Board recommend that the charged member be suspended for one (1) year from the Society?" A majority vote of the entire Hearing Board shall prevail.~~

~~Suspension shall withdraw all rights and privileges of the member, but it shall not affect any Society insurance protection.~~

~~e. If the ballot on suspension fails to carry, a ballot shall be taken on the question: "Shall the Hearing Board recommend that the charged member be sent a letter of censure?" A majority vote of the entire Hearing Board shall prevail.~~

~~f. If the ballot on censure fails to carry, the charged member shall be declared "cleared of all charges."~~

~~g. If the charged member has resigned without right of reapplication and is subsequently "cleared of all charges," suspended, or censured, per IV.E.13.b, d or e, the words, "without right of reapplication" shall be removed from the charged member's resignation record.~~

~~h. If the charged member has resigned without right of reapplication and is subsequently expelled, per IV.E.10.c, the member's resignation shall remain "without right of reapplication."~~

~~14. Within five (5) business days of its determination with respect to a matter involving a statement of charges, the Hearing Board shall provide written notification of the determination (including the text of any opinion in which the determination is recorded) (the "decision") to the Executive Director, the President, and the Chair of the Ethics Committee.~~

~~15. A determination by the Hearing Board that a charged member is "cleared of all charges" may not be appealed, and the complaint in the matter is barred and, even if revised, may not be resubmitted.~~

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~~16. Within thirty (30) days after receipt of a decision that a charged member is "cleared of all charges," the Executive Director shall:~~

~~a. provide the Board of Governors and the members of the Ethics Committee with a copy of the decision,~~

~~b. by certified mail (return receipt requested), provide all interested parties with a copy of the decision together with notice that the matter is closed pursuant to IV.E.15,~~

~~c. shall deposit the decision in the official file of the matter, close such file, and retain the file in the records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.~~

~~17. Within thirty (30) days after receipt of a decision that a charged member has violated the Code of Ethics or Conflicts of Interest Policy, the Executive Director shall:~~

~~a. provide the Board of Governors and the members of the Ethics Committee with a copy of the decision,~~

~~b. provide the Board of Governors with a copy of the materials supplied to the President pursuant to IV.B.8 and a copy of any written statement submitted by or on behalf of the charged member pursuant to IV.E.7.b, and~~

~~c. by certified mail (return receipt requested), provide the charged member with a copy of the decision and notification that, unless the decision is appealed within thirty (30) days as provided in IV.F.1, the Hearing Board's determination will be reviewed by the Board of Governors pursuant to IV.F.5.~~

~~18. The expenses incurred by the Hearing Board for travel of the Hearing Board members, the court reporter, the Society's legal counsel, and witnesses required by the Hearing Board shall be covered by the Society. The charged member or member subject to the complaint shall be responsible for any expenses relating to the member's defense, including counsel and witnesses.~~

~~F. Review and Appeal Phase (Expulsion, Suspension or Censure)~~

~~1. If a Hearing Board determines that a member has violated the Code of Ethics or Conflicts of Interest Policy, the member may appeal the matter to the Board of Governors, provided the letter of appeal is received by the Office of the Executive Director not later than thirty (30) days after the notification described in IV.E.14.c is sent to the member. Any such appeal shall conclude with the following statement by the member:~~

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~~“All facts alleged in this appeal are, to the best of my knowledge, true, correct and complete, and I have neither knowingly misrepresented nor knowingly omitted any information which would be material to the evaluation of the merits of this appeal. I understand that if the foregoing statements are untrue, I may have violated the Society’s Code of Ethics.”~~

~~2. A member’s appeal shall be disqualified if it is made directly to members of the Board of Governors or is accompanied by direct communications with the Board of Governors. The Board of Governors will review the record of the Hearing, the written request for the appeal and any written statement submitted by or on behalf of the charged member and will hear the charged member in person or by his or her legal counsel. The appeal shall be denied unless the member demonstrates to the satisfaction of the Board of Governors (a) that there were substantial errors in significant information presented to the Hearing Board, (b) that there is additional information, not made available to the Hearing Board, which might reasonably have led it to a different result, (c) that the Hearing Board’s decision was erroneous, or (d) that the Hearing Board failed to follow the procedures set forth in IV.E. Procedural errors prior to the Hearing shall not be grounds for the appeal of a Hearing Board decision.~~

~~3. The Board of Governors may take the following action after the appeal:~~

~~a. The Board of Governors may sustain the decision of the Hearing Board and implement the recommended action against the charged member.~~

~~b. The Board of Governors may sustain the decision of the Hearing Board, but modify the recommended action against the charged member to a less serious action.~~

~~c. The Board of Governors may dismiss the charge against the charged member.~~

~~4. If the Board of Governors elects action under IV.F.3.a. or b., the following voting rules shall apply (notwithstanding any contrary provision of the Society’s Constitution or By-Laws):~~

~~a. An affirmative vote of seven (7) members of the Board of Governors, at a meeting where a quorum is present, shall be required to confirm a decision of the Hearing Board leading to the expulsion of the charged member.~~

~~b. An affirmative vote of six (6) members of the Board of Governors, at a meeting where a quorum is present, shall be required to confirm a decision of the Hearing Board leading to the suspension or censure of the charged member.~~

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~~5. If the charged member does not appeal the decision of the Hearing Board, the Board of Governors shall at its next regularly scheduled meeting vote on whether to confirm the decision of the Hearing Board and to implement the recommended action. If the Board of Governors elects not to confirm the decision of the Hearing Board, the Board of Governors shall determine such actions as it deems fitting and proper.~~

~~6. It shall be within the discretion of the Board of Governors to determine what portion, if any, of its fact finding and deliberations concerning an appeal under this IV.F shall be conducted in executive or special session.~~

~~7. Within thirty (30) days of a decision by the Board of Governors, the Executive Director shall:~~

~~a. provide the Chair of the Ethics Committee with written notification of the decision together with any accompanying explanations provided by the Board of Governors, to be used for the future guidance of the Committee in its administration of ethics matters brought before it,~~

~~b. by certified mail (return receipt requested), provide all interested parties with written notification of the decision together with notice that the matter is closed pursuant to IV.F.6,~~

~~c. shall deposit a copy of such written notification in the official file of the matter, close such file, and retain the file in the records of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.~~

5. The Board of Governors shall not be bound by the recommendations of the Investigative Panel and may upon review of the complaint; (1) determine that the complaint is not supported by the facts; (2) determine that a lesser sanction such as a letter of warning/admonishment should be issued; or (3) suspend or expel the member. The Board of Governors should ordinarily make such determination in a closed session of the Board.

Within thirty (30) days of the rendering of a decision by the Board of Governors, the Executive Director shall:

a. by certified mail (return receipt requested), notify the subject of the complaint of the resolution of the matter pursuant to this Section IV.B.5;

b. by certified mail (return receipt requested), notify the complainant that the matter is closed pursuant to Section IV.B.5 and if the matter is not resolved publicly that the resolution shall be held confidential and not revealed to any other parties by the complainant;

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c. by certified mail (return receipt requested), notify all witnesses who had been interviewed by the Investigative Panel that the matter is closed, and

d. close the official file on the matter and retain in the files of the Society for not less than ten (10) years from the date on which the initial complaint was received by the Society.

6. ~~Decisions of the Board of Governors may not be appealed.~~ A complaint disposed of by the Board of Governors, even if the complaint is revised, may not be resubmitted.

~~6-7.~~ All files concerning ethics complaints and the resolution thereof shall be confidential and may not be disclosed except by authority of the Board of Governors. The records shall be retained for a period of not less than ten (10) years from the date on which the initial complaint was received by the Society. The proceedings may be synopsized and made anonymous for later publication for instructive purposes.

~~6-8.~~ The membership shall be notified of all disciplinary actions taken by the Board of Governors under this Section IV.BF for violations of the Code of Ethics or Conflicts of Interest Policy, by publication of a suitable notice in MECHANICAL ENGINEERING or ASME NEWS. The name of the disciplined member shall not be published. However, the action of the Board of Governors, including the name of the disciplined member, shall be reported to the section chair and appropriate Society officers.

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Responsibility: Committee of Past Presidents/Ethics Committee

Reassigned from Centers Board of Directors/Center for Career and Professional Advancement/Committee on Ethical Standards and Review 2/2012

Reassigned from Centers Board of Directors/Center for Professional Development, Practice & Ethics/Committee on Ethical Standards and Review 4/23/09

Reassigned from Council on Member Affairs/Board on Professional Practice & Ethics 6/1/05

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Adopted: June 18, 1975

Revised: September 29, 1978
June 25, 1980
November 17, 1983
(editorial changes 3/84)

P-15.4
11/13

June 14, 1985
(editorial changes 6/87)
(editorial changes 3/88)
June 18, 1989
June 6, 1990
(editorial change 2/94
November 21, 1996
(editorial changes 9/97)
June 9, 1999
(editorial changes 6/02)
(editorial changes
September 23, 2005
November 5, 2006
(editorial changes in responsible unit 4/09)
(Unit Reassignment Due to Reorganization 2/12)
November 15, 2013
September xx, 2019

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Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 29, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	By-Law Amendment – Committee of Past Presidents

Agenda Item Executive Summary:

Provisions for an individual to become and to remain a member of the Committee of Past Presidents are being added to B5.2.8.2.

Proposed motion for BOG Action: To approve for first reading changes to By-Law B-5.2.8.2.

Attachment(s): By-Law changes.

B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.1 The sectors reporting to the Board of Governors shall be the Standards and Certification Sector, Technical Events and Content Sector, the Public Affairs and Outreach Sector and the Student and Early Career Development Sector.

Each sector shall be led by a council. The council of each sector shall consist of such voting members as specified in the sector By-Laws. Individuals, as may be required or designated pursuant to any statute, regulation, or court order or consent decree may also be voting or non-voting members of a sector council. A member of the senior staff of the sector, if any, may be a voting member of the sector council. The sector council may designate both volunteer and staff non-voting members.

The duties and responsibilities of the sectors shall be as designated from time to time by the Board of Governors. Each sector shall maintain its own operation guide as prescribed by Society Policy. Each sector shall be chaired by a senior vice president who shall serve a term of three years. Additional service as the same senior vice president may occur after an interruption of one or more years or following a partial term. Senior vice presidents shall attend meetings of the Board of Governors without vote.

B5.2.2 The following Standing Committees shall report to the Board of Governors and shall be appointed by the Board as determined in the By-Laws: Committee on Organization and Rules, Committee on Finance and Investment, Audit Committee, Committee on Executive Director Evaluation and Staff Compensation, Strategy Advisory Committee, Committee on Honors, Committee of Past Presidents, the Sector Management Committee and the Philanthropy Committee. Each Standing Committee shall maintain its own operation guide as prescribed by Society Policy. If a Standing Committee includes individuals who are not Governors, it is not a committee of the Board and may not bind the Board; provided, however, that the Committee on Finance and Investment may bind the Board with respect to investment matters without regard to whether it includes individuals who are not Governors.

B5.2.3.1 The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership, and shall reexamine regularly the Constitution, By-Laws and Policies of the Society.

B5.2.3.2 The Committee on Organization and Rules shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.4.1 The Committee on Finance and Investment, under the direction of the Board of Governors, shall have responsibility for supervising the financial and investment affairs of the Society, and supporting the Board and its committees by conducting an annual review of the Society's budgets.

B5.2.4.2 The Committee on Finance and Investment shall select its own Chair.

The Treasurer shall be an ex officio member of the Committee with vote and shall serve as Vice Chair. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.5.1 The Committee on Executive Director Evaluation and Staff Compensation, under the direction of the Board of Governors, shall have responsibility for making recommendations to the Board regarding the Executive Director's performance planning and evaluation and for making recommendations to the Board regarding the Executive Director's compensation, including salary and bonus recommendations.

The Committee shall also have the responsibility to advise the Board of Governors on activities of the Society's staff regarding: staff compensation, including bonus programs; volunteer/staff collaboration survey; staff planning and organization; staff training and development; staff and retiree benefit programs, including pension plans. The committee will also be responsible for staff related Society Policies P-7.1, (Recognition of Staff Members - 5 Years or More of Service) and P-7.2, (Staff Employment Guidelines).

In addition, the Committee has oversight responsibilities for the Pension Plan Trustees and the Retirement Plan Committee.

B5.2.5.2 The Committee on Executive Director Evaluation and Staff Compensation shall consist of the President, the President-Nominee/Elect, the Immediate Past President and three current Board members at-large (serving staggered terms on the Board). The President and Immediate Past President are ex officio members of the committee with vote. The President-Nominee/Elect is an ex officio member of the Committee without vote. The Immediate Past President shall be the Chair. The incoming first-year Governor shall be selected by the President-Elect and approved by the Board of Governors.

The term of each of the current Board members at-large expires when their Board term expires.

B5.2.5.3 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Chief Financial Officer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for additional full terms, a member-at-large must be nominated by the Committee on Executive Director Evaluation and Staff Compensation upon a finding

by the Committee that specifies exceptional circumstances warranting the additional terms, and a written statement of such findings must accompany the nomination when it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.

B5.2.5.4 The Retirement Plan Committee, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the ASME Thrift Plan, the ASME Defined Contribution (DC) Plan, the ASME 457(b) Plan, and the ASME 401(k) Plan documents, including to act as Plan Administrator and Named Fiduciary for such plans and assume such responsibilities as developing investment policy statements, selecting and monitoring investment choices, benchmarking Plan administration expenses and investment plan administrators performance and selecting, appointing and retaining plan investment, governance and plan administration compliance advisors, as well as having the power to make ministerial and technically required plan amendments.

The Retirement Plan Committee shall consist of four members: two members of the Executive Management Team, one member of the Human Resources Department and one Volunteer member of the Pension Plan Trustees. The three staff members will be nominated by the Executive Director and appointed at the discretion of the EDESC. The pension plan trustee shall be recommended by the Pension Plan Trustees and may be appointed at the discretion of the EDESC.

The ASME Staff members of the Committee may be members with vote for as long as they hold the positions described in this By-Law B5.2.5.4. The Pension Plan Trustee member's term will be for as long as they are a member of the Pension Plan Trustees.

B5.2.6.1 The Strategy Advisory Committee, under the direction of the Board of Governors, shall have responsibility for providing recommendations and guidance on tasks related to ASME's strategy and planning.

B5.2.6.2 The Strategy Advisory Committee shall consist of the President, two current Board members-at-large (serving staggered terms, one second year and one third year), one representative from the Industry Advisory Board, and the senior staff member responsible for Strategy. The incoming second-year Governor shall be selected by the President-Elect and approved by the Board of Governors. The term of the Board members-at-large expires when their Board term expires. The representative from the Industry Advisory Board will be recommended annually by the Chair of the Industry Advisory Board and approved by the Board of Governors.

B5.2.7.1 The Committee on Honors, under the direction of the Board of Governors, shall have responsibility for recommending properly selected candidates for honors, medals, Honorary Members, and awards, and as required shall recommend recipients of joint awards, all subject to approval by the Board of Governors. However, the Board may delegate to the Committee on Honors the power to approve candidates for any honor, medal or award other than Honorary Member or ASME Medalist.

B5.2.7.2 The Committee on Honors shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The Chair of the General Awards

Committee shall be an ex officio member with vote. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.7.3 The General Awards Committee, under the direction of the Committee on Honors, shall seek candidates for all honors and awards except Honorary Members, the ASME Medal, and group-level awards, and shall screen nominations and make recommendations to the Committee on Honors.

The General Awards Committee shall consist of a Chair, a Vice Chair and a membership as determined by the Committee on Honors.

B5.2.7.4 Other Society award committees, including special award committees, shall in accordance with the policies and procedures administered by the Committee on Honors, seek nominees for honors in their several areas of interest, shall screen nominations, and make recommendations to the Committee on Honors.

B5.2.8.1 The Committee of Past Presidents, under the direction of the Board of Governors, shall have responsibility for electing Fellows, overseeing the ethical practice of engineering, and providing guidance on matters where its experience may be useful, upon request by the President, Board of Governors, and other units of the Society.

B5.2.8.2 The Committee of Past Presidents shall select its own Chair and Vice Chair. Its membership shall consist of all living Past Presidents unless the Board of Governors or the Ethics Committee makes a finding that results in censure, expulsion, suspension or other disciplinary action of a Past President involving the following conduct:

- (a) violation or attempted violation of the ASME Ethics or Conflicts of Interest Policy, knowingly assisting or inducing another to violate or attempt to violate the ASME Ethics or Conflicts of Interest Policy, or doing so through the acts of another;
- (b) illegal conduct that adversely reflects on the Past President's honesty, trustworthiness or fitness to serve ASME in a position of trust;
- (c) conduct involving breach of fiduciary duty, dishonesty, fraud, deceit or misrepresentation;
or
- (d) other conduct that is or reasonably could be harmful to the reputation and administration of the Society.

Disciplinary action for conduct described in B5.2.8.2 (a) through (d) shall render a Past President ineligible for membership on the Committee of Past Presidents and shall result in the expulsion from the committee of any current member of the Committee of Past Presidents.

B5.2.9.1 The Audit Committee, under the direction of the Board of Governors, shall have responsibility for overseeing the accounting and financial reporting process of the Society and the audit of its financial statements and report its activities to the Board. The Committee will be responsible for overseeing the adoption and implementation of, and compliance with, the Society Policies on whistleblowers and conflicts of interest. The Committee will annually consider the performance and independence of the independent auditor and recommend retaining or renewing the retention of the independent auditor to the Board. The Committee will liaise with the independent auditor prior to the

commencement of the audit and upon completion of the audit, review and discuss the audit results and any related management letter with the auditor, including:

- (a) any material risks and weaknesses in internal controls identified by the auditor;
- (b) any restrictions on the scope of the auditor's activities or access to requested information;
- (c) any significant disagreements between the auditor and management; and
- (d) the adequacy of the Corporation's accounting and financial reporting processes.

B5.2.9.2 The Audit Committee shall consist of three current Board members-at-large (serving staggered terms on the Board) who serve as voting members. The Committee membership is determined by the Board of Governors and consists solely of "independent" members of the Board as defined under Section 102(a) (21) of the New York Not-for-Profit Corporation Law. The Chair shall be the senior Governor and the Vice Chair shall be the second-most senior Governor.

The Treasurer shall be an ex officio member of the Committee without vote. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. The President-Elect makes the recommendation on the incoming first-year Board member-at-large. The term of the Board members-at-large expires when their Board term expires.

B5.2.10.1 The Sector Management Committee, under the direction of the Board of Governors, shall have responsibility for facilitating communication and collaboration among the Sectors. This includes coordination, integration, and facilitation for implementation of the enterprise strategy with the development, maintenance and execution of the Integrated Operating Plan,

B5.2.10.2 The Sector Management Committee shall consist of the Senior Vice Presidents and the Chair of the Group Engagement Committee, their respective staff counterparts, and the staff member with overall responsibility for operations. The Co-Chairs of the Committee shall be the Senior Vice President in their third year and the staff member with overall responsibility for operations. The President-Nominee/elect will serve as an advisor to the Committee.

B5.2.11.1 The Philanthropy Committee, under the direction of the Board of Governors, shall have responsibility for advising the Board of Governors and assisting the Society in connection with fundraising activities and philanthropic programs carried out using the Society's name or other resources.

B5.2.11.2 The Philanthropy Committee shall select its own chair and vice chair. The ASME Executive Director, the ASME Managing Director of Philanthropy and the ASME Managing Director of Programs shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 14, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Michael W. Johnson
Presented by:	Michael W Johnson
Agenda Title:	Mission & Vision Statements

Agenda Item Executive Summary:

Redrafted Mission & Vision statements as presented at the September 25th Board of Director conference call.

Proposed motion for BOG Action: Approval of modification of language related to the Mission & Vision statements

Attachment(s): PowerPoint presentation

Vision Statement

Vision - Current

- ASME aims to be the essential resource for mechanical engineers and other technical professionals throughout the world for solutions that benefit humankind.

Current Recommendation

- ASME's vision is to be the premier resource for the engineering community globally

Mission Statement

Mission - Current

- ASME's mission is to serve diverse global communities by advancing, disseminating, and applying engineering knowledge for improving the quality of life; and communicating the excitement of engineering.

Current Recommendation

- ASME's mission is to advance engineering for the benefit of humanity

MOTION

Approval of the modification of language related to the Mission & Vision statements.

**ASME Board of Governors
Agenda Item
Cover Memo**

Date Submitted: October 18, 2019
BOG Meeting Date: November 10, 2019

To: Board of Governors
From: Committee on Organization and Rules
Presented by: Fred Stong
Agenda Title: Proposed Appointments

Agenda Item Executive Summary:

Proposed appointments reviewed by the COR on October 17, 2019.

Proposed motion for BOG Action:

To approve the attached appointments.

Attachments: Document attached.

NOVEMBER 2019

**PROPOSED APPOINTMENT
TO ASME UNIT**

Internal Unit	Nominee	Appointment Position/Title	Appointment Term/Category	Appointment Type	History
Student and Early Career Development Council	Nicole Dyess	Member-at-Large	October 2019 – June 2020	Initial	Nominating Committee Secretary, General Awards Committee Chair

**PROPOSED APPOINTMENTS
TO EXTERNAL ORGANIZATION**

External Unit	Nominee	Appointment Position/Title	Appointment Term/Category	Appointment Type	History
Daniel Guggenheim Medal Board	George Kardomateas	ASME Representative	October 2019 – September 2022	Re-appointment	Composite Materials Chair
Daniel Guggenheim Medal Board	Zoubeida Ounaies	ASME Representative	October 2019 – September 2022	Initial	Aerospace Division Chair



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 11, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Mahesh Aggarwal, DISC Chair
Presented by:	Jennifer Cooper, DISC member and Mahesh Aggarwal, DISC Chair
Agenda Title:	ASME's Diversity and Inclusion Vision for Success

Agenda Item Executive Summary:

The Diversity and Inclusion Strategy Committee (DISC) is working with the Kaleidoscope Group and ASME's Human Resources to better define and communicate the Society's guiding principles on diversity and inclusion.

A presentation will be made to provide information on the draft documents and next steps.

Proposed motion for BOG Action: **Discussion only.**

Attachment(s): Presentation



ASME's Diversity and Inclusion Vision for Success

Mahesh Aggarwal and Jennifer Cooper

November 10, 2019

What to Expect from Presentation

- Brief Description – Overview of ASME’s diversity and inclusion (D&I) vision for success positioning statements
- Desired Outcome – Information Only
- Questions – Please hold questions until after the presentation
- Duration – 30 minutes



Agenda



- Why Diversity and Inclusion?
- Progress to Date
- Next Steps

Diversity and Inclusion Supports ASME Mission & Vision



- Workplace diversity delivers bottom-line benefits to organizations committed to inclusion
- Diversity is about who you engage, while inclusiveness is about an environment of trust and involvement
- Diversity and Inclusion require leadership from the top of the organization

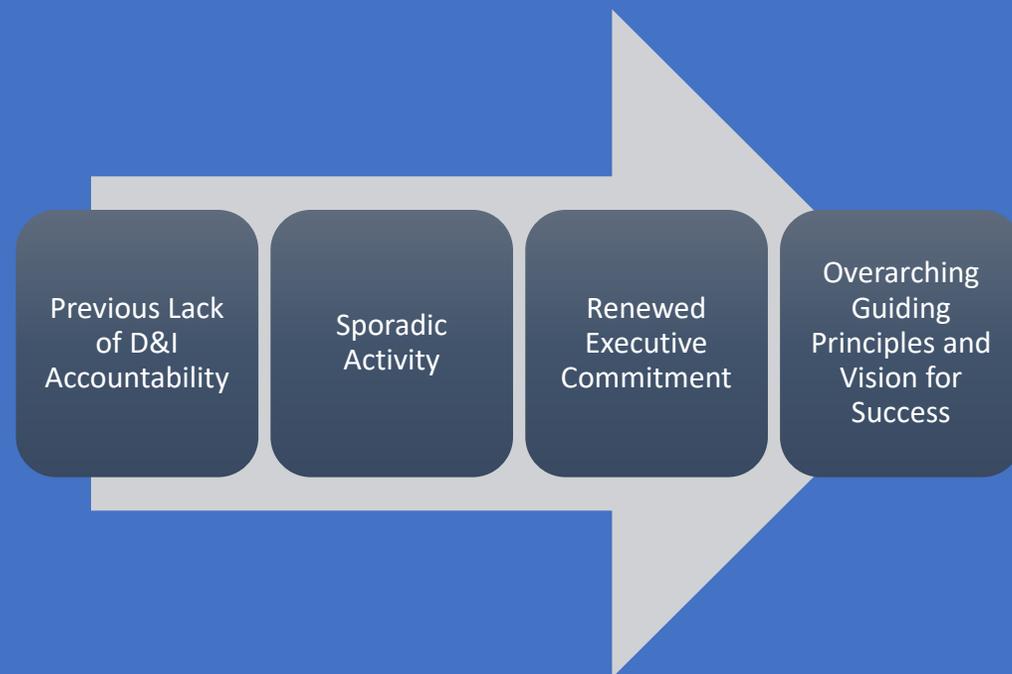


Recent Successes

- Child Care at IMECE
- Common Conference Elements document
- Diversity Training for the Nominating Committee
- DISC will be reporting to the BOG



Challenges to Opportunities

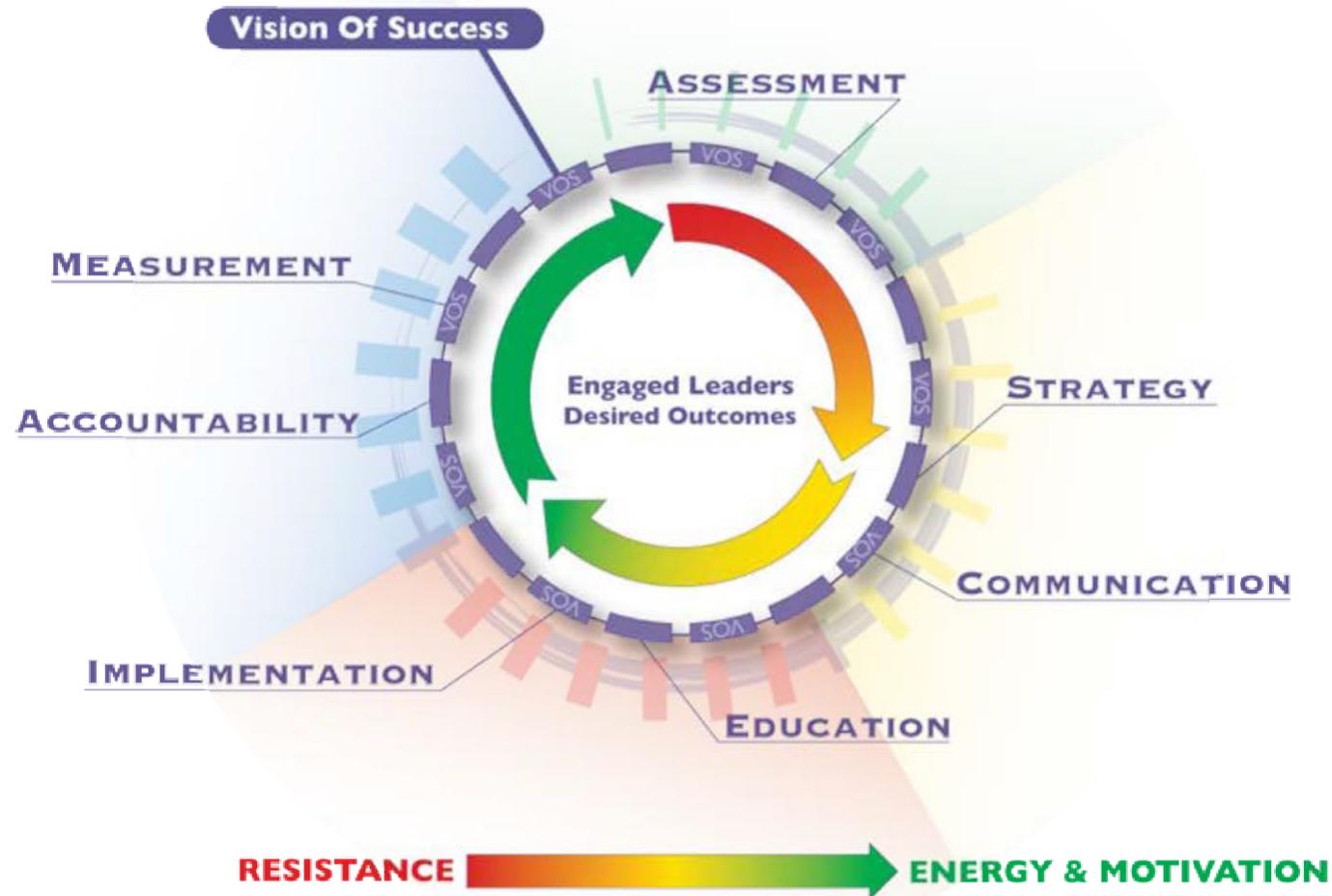




Goal

An overarching D&I strategy for ASME that leverages and aligns both volunteer and staff activity to better serve our leaders, staff, volunteers, members, teams, partners, and communities.

D&I Journey – A Strategic Approach



Progress to Date

- ASME D&I Vision of Success Positioning Statements, which include:
 - D&I Statement
 - Guiding Principles
 - Code of Conduct

D&I Statement

To be engaged and contribute, you must feel respected and valued. At ASME, we are striving to build and nurture a culture of inclusiveness. We know through experience that different ideas, perspectives, and backgrounds create a stronger, more creative work environment that delivers robust solutions. ASME's inclusive culture encourages, supports, and celebrates the diverse voices of our employees, volunteers, customers, and communities.



Guiding Principles

We are a global, diverse, and inclusive Society

We are a Society that adheres to the highest standards

We are a Society focused on the next generation





Code of Conduct for a Diverse and Inclusive Culture

- Inclusion
- Innovation
- Integrity
- Collaboration
- Transparency

Next Steps



- Invest in employee and volunteer engagement with diversity and inclusion
 - Integration of Positioning Statements through presentations to ASME members, volunteers, staff, etc., as well as onboarding of new volunteers/staff
 - Link to ASME 2020 culture objective



Thank You!
Questions?

D&I POSITIONING STATEMENTS November 10, 2019

DRAFT

DIVERSITY AND INCLUSION: A FOUNDATION FOR INNOVATION AND SUCCESS

To be engaged and contribute, you must feel respected and valued. At ASME, we are striving to build and nurture a culture of inclusiveness. We know through experience that different ideas, perspectives, and backgrounds create a stronger, more creative work environment that delivers robust solutions. ASME's inclusive culture encourages, supports, and celebrates the diverse voices of our employees, volunteers, customers, and communities.

GUIDING PRINCIPLES

As the leading membership society for engineers and technical professionals across the globe, ASME celebrates our successes and advancements of the past while preparing and keeping an eye on the future. Our Guiding Principles align us with those foundational beliefs that help drive our Society while grounding us in core common values that everyone has the potential to make a difference and contribute to the development of humanity. These Guiding Principles are to be demonstrated by our leaders, staff, volunteers, members, teams, partners, and the communities we serve at all times.

We are a global, diverse, and inclusive Society. ASME recognizes the broad, dynamic, and highly competitive environment in which we operate. The products and services we create, disseminate, and apply impact people, culture, and the environment globally on a daily basis. We seek to be leaders as well as good stewards of the earth by engaging with other professional societies to advance technology in a socially responsible manner.

We are a Society that adheres to the highest standards. We uphold the highest standards for our work through integrity, quality, and excellence. These practices, which are shared across the globe, ensure consistency, accountability and consciousness to always do our very best and make a difference.

We are a Society focused on the next generation. Our youth are our future. The Society fosters relationships with K-12, higher education, fellow societies, and communities, creating a global, diverse pipeline of leaders and engineers. By inspiring creativity, providing a common culture for new ideas to flourish, and celebrating and sharing successes, the Society is poised to take full advantage of current and future opportunities.

D&I POSITIONING STATEMENTS November 10, 2019

CODE OF CONDUCT

The behaviors outlined below are an expression of our Guiding Principles for a diverse and inclusive culture. These behaviors, modeled by all stakeholders (leaders, staff, volunteers, members, teams, partners, and the communities we serve), make us an inviting, welcoming, and impactful Society.

Inclusion - Treat everyone with dignity and be respectful of different ways of doing, thinking, and being. Share thoughts and perspectives honestly, even when we disagree.

Innovation - Leverage diverse perspectives to fuel innovative thinking, new products, and impactful solutions.

Integrity - Uphold the highest quality of work and standards for which the Society is known, demonstrating honesty and integrity in all dealings.

Collaboration - Work across staff, volunteer, member, team, and community lines to tap into knowledge and expertise for superior achievement.

Transparency - Share information generously, welcoming divergent viewpoints and approaches. Be curious in uncovering opportunities and resolving challenges.



**Board of Governors Meeting
Agenda Item
Cover Memo**

Date Submitted:	October 28, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	George Papadopoulos, Senior Vice President, TEC Sector
Presented by:	George Papadopoulos, Senior Vice President, TEC Sector
Agenda Title:	TEC Organization

Agenda Item Executive Summary:

Provide a briefing on the TEC structure for review and proposed changes for enhancement.

Proposed motion for BOG Action: n/a

Attachment(s): Presentation

2019 Technical and Engineering Communities Proposed Recommendation and Path Forward

November 10 Board Of Governors Briefing

What to Expect from Presentation

- **Brief Description** – Provide a briefing on the TEC structure review and proposed changes for enhancement
- **Desired Outcome** – This presentation serves as the SVP’s recommendation in regards to the following motion:
 - Approve in principle the change of the name of Technical Events and Content Sector to Technical and Engineering Communities (TEC) Sector.
 - Assign to the Senior Vice President of TEC the development of a reporting and governance structure and operating documents taking into consideration the recommendations of the Task Force on Organizational Structure for review by the Board of Governors.
- **Questions** – Please hold questions until after the presentation
- **Duration** – 60 Minutes have been allocated for the presentation and discussion

Perspective on TEC

- The 2014 Re-Organization created the TEC structure with the charter to focus solely on events, with Divisions free to engage within the broader ASME structure.
 - Over time, TEC and specifically the Segments, have made adjustments and organically corrected the fragmentation to a good level by creating links to Divisions, and working together within the event organizing framework.
 - Divisions that have been active in organizing events have seen the most benefits, and are currently healthy with a leadership and governance structure, working with associated Segments, and having a voice on the SLT.
 - Some divisions, however, that have not had a traditionally strong heritage of organizing stand alone events have fallen on the wayside as TEC had **no means for engaging given its charter.**

NEW Strategic Technology Products in FY2019

Pressure Vessels	Asset Integrity Management Conference—Pipeline Integrity Management under Geohazard Conditions—March 2019	Energy Sources & Processing SLT, Petroleum, Pipeline Systems, and Ocean, Offshore & Arctic Engineering Divisions
Manufacturing	Advanced Manufacturing & Repair for Gas Turbines—March 2019	Gas Turbine Segment Leadership Team, International Gas Turbine Institute
	Women in Additive Manufacturing Forum at MSEC—June 2019	Design, Materials & Manufacturing Segment Leadership Team, Manufacturing Division
Robotics	SERAD Forum on Safety, Risk and Reliability of Autonomous Vehicles—April 2019	Safety Engineering and Risk Analysis Division
Clean Energy	Offshore Wind Technical Conference—November 2018	Ocean, Offshore & Arctic Engineering Division



The Curtis Hotel,
Denver, CO

Clean Energy applications involved at ACES include:

- Solar Energy
- Nuclear Energy
- Advanced Energy Systems
- Oil and Gas
- Gas Turbines
- Wind Energy
- Material & Energy Recovery
- Environmental Systems
- Energy Storage

Represented ASME Divisions:

- ☐ Gas Turbine Division
- ☐ Nuclear Engineering Division
- ☐ Power Division
- ☐ Petroleum Division
- ☐ Materials and Energy Recovery Division
- ☐ Solar Energy Division
- ☐ Ocean, Offshore, and Arctic Engineering Division
- ☐ Advanced Energy Systems Division
- ☐ Environmental Engineering Division

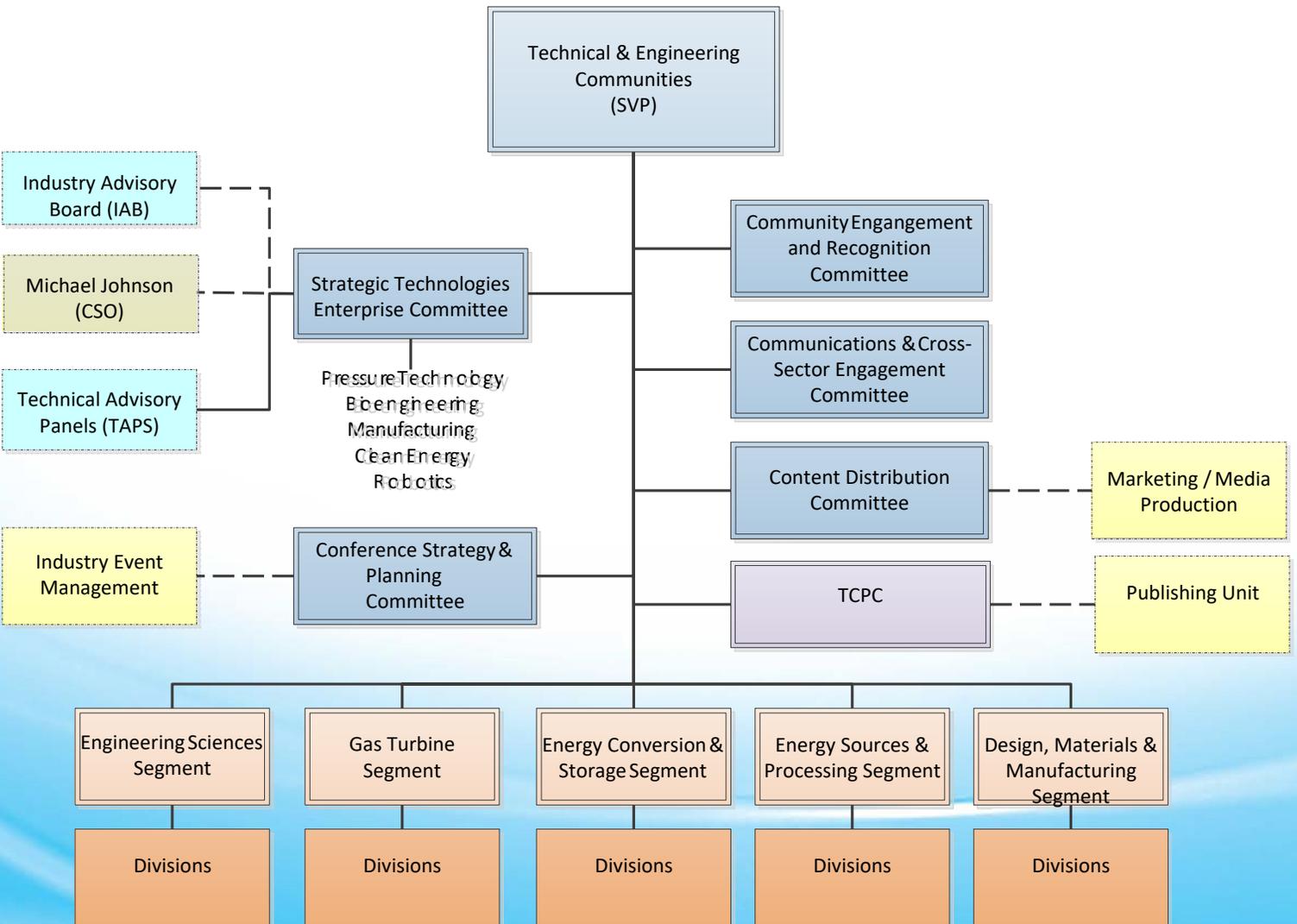
Considerations for TEC Structure Adjustment

- Address division alignment, inclusion and support
- Address integration and visibility of strategic technologies within TEC structure
- Expand on responsibilities to cover operations, strategy, engagement, communication, and recognition across the TEC member structure.
- Increase pathways for volunteer engagement within the TEC structure

Leadership Structure Improvements

- Empower Segments to fully engage with Technical Divisions and Research Committees to strengthen relationships and provide the leadership and support structure that is currently lacking.
 - Develop guidelines for roles and responsibilities, as well as, update the Segment operational framework.
- Ensure that Divisions have a voice in Segment operation.
 - Divisions select primary Segment to coordinate with; but could take on liaison role with other Segment to assure coordination (example Aerospace Division)
 - Segments are free to adjust SLT member pathways to best support their respective Division makeup.
- Enable opportunities for cross-divisional engagement that enhances events and improves value proposition for the community at large.

Proposed TEC Structure

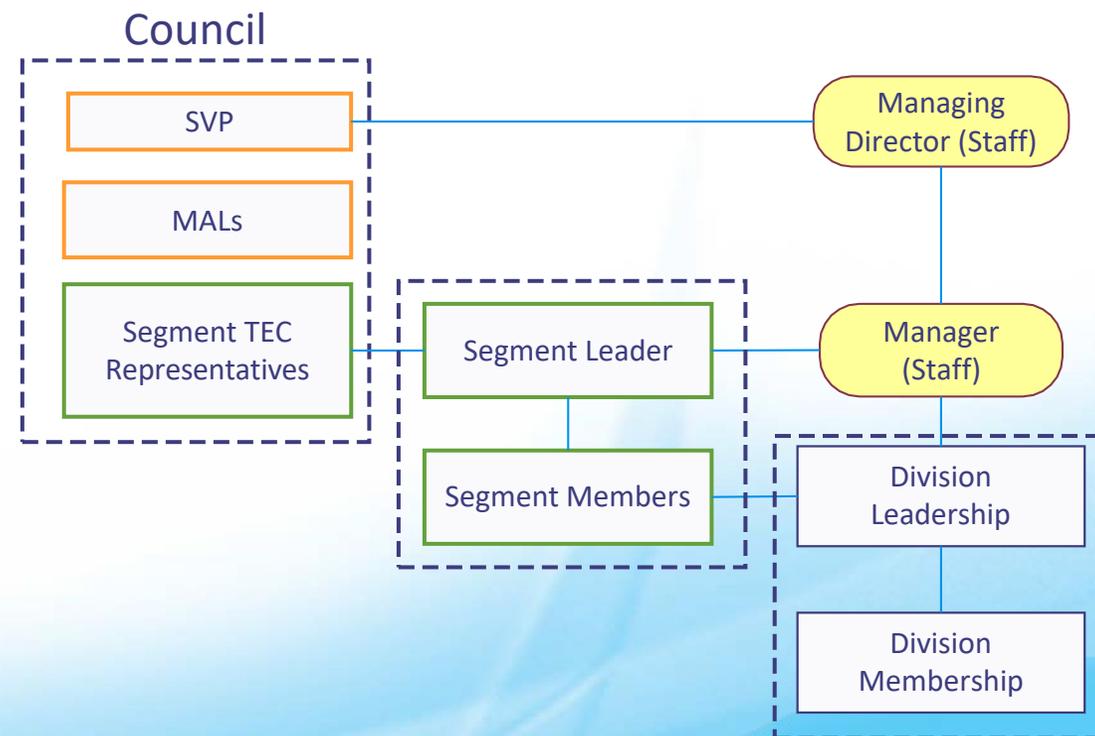


- Formalizes organically developed relationships between Segments and Divisions
- Enhances TEC level communication, support, and opportunity development
- Introduces new enterprise committee structure for incubating strategic technology initiatives



Responsibilities

- Segment Leader – focuses on execution of activities associated with the segment/group, assuring the group is actively engaged with divisions, is leveraging resources to expand and enhance product portfolio and is providing the best value to the membership.
- Segment Representative – supports strategy, engagement, and recognition functions of the TEC Council, while providing the pathway for communication for the organization.
- At-Large Members – provide leadership to address collective issues, identify new trends, provide cross-sector engagement, optimize common activities/investments, etc..
- SVP – provide overall leadership and direction to assure TEC is creating value for the organization and the membership while staying true to the ASME mission and executing on the BOG strategy.



Governance Improvements

- Empower MALs to take an active role in TEC governance and operations
 - Establish roles and responsibilities in 4 new areas, each assigned to a MAL
 - Community Engagement & Recognition (Richard Bunce)
 - Communications & Cross-Sector Engagement (John Blanton)
 - Content Distribution (TBD)
 - Conference Strategy & Planning (TBD)
 - Increase volunteer involvement through committee formation, as needed, to tackle key issues and initiatives that span across the Segments.
 - GLDC conference - collect feedback and work with staff to assure that TEC level input is provided.
 - Awards and recognition at the TEC level.
 - TEC Development fund -- management and capture of metrics; work with Segments.
 - TEC level adaptation of Segment grown initiatives.
 - Facilitate Cross-Sector engagement.
 - Facilitate sharing of knowledge on ASME staff driven initiatives, like the Industry Events, Marketing/Media Production, TAPS, IAB.
 - TEC Website and documentation management for communicating ideas and progress
- Encourage participation of TEC Reps alongside MALs to increase communication pathways to Segments.

Community Engagement & Recognition

- Division health prognosis and enhancement
 - Establish key metrics for wellness of leadership and structure; work across the segments to bring forth best practices; take lead on input for annual GLDC conference.
 - Generate common elements for governance and community engagement – guidelines for operation and continuous improvement.
 - Support Segment Leadership, as needed, regarding division reporting and administrative activities – provide additional level of support in resolving issues.
 - Facilitate cross-segment engagement and identify opportunities for increased volunteer involvement.
 - Provide strategic direction for segment/division/group alignment in support of ASME mission and goals.
- Recognition
 - Track awards at all levels to provide logistical assurance and assistance when needed, working with Segments.
 - Maintain list of volunteers with interest in serving on the Nominating Committee and provide initial recommendations on the next slate of candidates in coordination with Segment Leaders.
 - Provide strategic direction and work with interested parties to reshape or develop new awards.

Communications & Cross-Sector Engagement

- Communications
 - Administer all communication tasks for TEC Council
 - Information posting on asme.org website (other portals)
 - Provide guidance on information sharing logistics and format across TEC
 - Work with Segments/Divisions to generate and implement best practices for improving communication throughout the sector
- Cross-Sector Engagement
 - Facilitate cross-sector communication, information gathering, and partnering.
 - Take active role towards implementing common-core elements for all existing and future conferences, in partnership with Segments and Conference Strategy & Planning Committee.
 - Provide strategic direction to identify and implement new opportunities for cross-sector collaboration, both in common across the TEC sector and in discrete cases, that enhance the overall value proposition for ASME members.

Content Distribution

- Management and Packaging
 - Work with Segments to identify and manage sources of content for overall process improvement with regards to handling and packaging this content.
 - Work with the ASME Marketing and Media Production staff to facilitate best use of resources for maximum value creation at conferences and events.
 - Identify content that can be shared within the organization to increase the value proposition for the members.
 - Work with ASME Publishing to provide guidance on continuous improvement on format and quality of various forms of content.
- Strategy
 - Provide strategic direction to identify and implement new opportunities for distributing content both internally and externally.
 - Provide strategic direction on how best to leverage existing content to increase value proposition for membership and community as a whole.
 - Establish metrics for evaluation and continuous improvement.

Conference Strategy & Planning

- Planning
 - Work with Segments to identify and capture best practices to conference/event planning, organization and format that can be shared across the sector.
 - Provide an interface to the ASME Industry Event management group.
 - Support the adaptation of common core elements, and other initiatives, to the rest of the conferences.
- Strategy
 - Identify new elements that can improve conference overall value proposition and help implement working together with stakeholders.
 - Develop implementation strategy and keep track of performance metrics on new activities / elements introduced at conferences / events.

Strategic Technology Enterprises (STEs)

- Based on ASME's strategic technologies, the Strategic Technology Enterprises of the TEC Sector shall be structured to offer cutting-edge insight that supports entrepreneurs, innovators and partners in pursuing new opportunities for growth and commercialization.
- They shall facilitate the sharing of ideas by engaging ASME members and staff in areas of specialization.
- They shall identify technical expertise, promote research collaboration, and foster business partnerships.

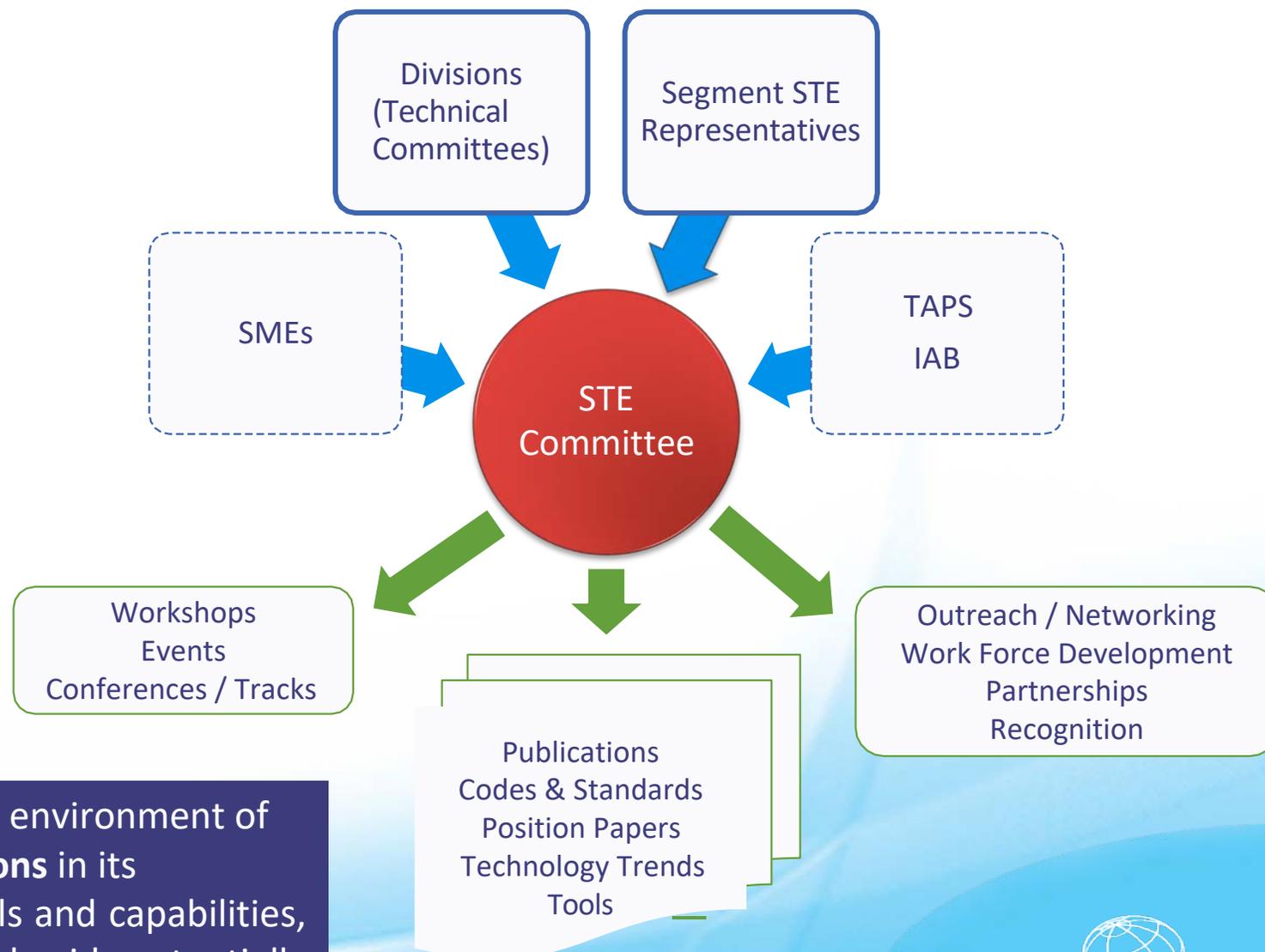


STE Model

STE Committee Makeup

- **Chair**, Reporting to TEC MAL
- **Division Members** from participating divisions (sponsored)
- **Segment Liaisons** from participating Segments (sponsored)
- **Subject Matter Experts (SMEs)**
- **TAPS Liaison / BD Director**

STE team will be responsible for providing an environment of **exploration** and application of new **innovations** in its domain. The team will equip ASME with tools and capabilities, build an **innovation program and culture**, and guide potentially **disruptive projects** beyond a 3-5 year time horizon



By-Law Recommended Changes

- Name change from Technical Events and Content to Technical and Engineering Communities
- Inclusion of Technical Divisions, Technical Chapters, and Research Committees within the TEC structure, reporting through the Segments.
- Enabling MALs to serve as chairs of TEC standing committees as outlined in the operating guide.

B5.5 TECHNICAL ~~AND ENGINEERING COMMUNITIES EVENTS AND CONTENT~~ SECTOR

- B5.5.1.1 The Technical ~~Events and Content~~ and Engineering Communities (TEC) Sector, under the direction of the Board of Governors, is responsible for activities of the Society relating to engaging individuals and groups in advancing engineering skill, art, science, knowledge and practice, and in planning, developing and delivering new technical content in the form of new products, services, networking opportunities, conferences, events and delivery mechanisms across ASME's ~~market segments~~ technical and engineering communities. The Technical Divisions, Technical Chapters, and Research Committees shall report to the TEC Sector Council through one of the Segment Leadership Teams that in-turn report to the Council. The Technical ~~Events and Content~~ and Engineering Communities Sector will maintain a current Sector Operation Guide containing operational details of the Sector not covered in these By-Laws.
- B5.5.1.2 The Technical ~~and Engineering Communities Events and Content~~ Sector shall be led by a Sector Council that consists of the following voting membership: a Senior Vice President (SVP) as Chair, the Segment Representatives representing each of the designated Sector ~~Market~~-Segments as outlined in the Sector Operation Guide, the Chair of the Technical Committee on Publications and Communications, and up to five members-at-large that may serve as chairs of TEC standing committees as outlined in the Sector Operating Guide. The non-voting membership of the Sector Operating Council shall include staff as appointed by the Executive Director.

By-Law Recommended Changes

- Name change from Technical Events and Content to Technical and Engineering Communities

- B5.5.1.3 The incoming Senior Vice President of the Technical ~~Events and Content~~ and Engineering Communities Sector shall be nominated by the Technical ~~Events and Content~~ and Engineering Communities Sector Council from among its past or present volunteer members for appointment by vote of the Board of Governors to a term of three years. In the event that a ~~past~~ TEC Sector Council member is not available, then the Sector Council will make a recommendation for a qualified candidate to the Board of Governors for consideration.
- B5.5.1.4 The Segment Representatives are nominated by the Segment Leadership Team Members within each defined Segment for an appointment by vote of the Technical ~~Events and Content~~ and Engineering Communities Sector Council to a term of up to three years. In all cases the appointment should best meet the qualifications for Segment and Sector Leadership and composition balance as outlined in the Sector Operations Guide.
- B5.5.1.5 The members-at-large shall be appointed by the Board of Governors as recommended by the Technical ~~Events and Content~~ and Engineering Communities Sector Council. The term of the members-at-large shall be up to three years.
- B5.5.1.6 The Technical Committee on Publications and Communications (TCPC) is responsible for publications of the Society, except that the Standards and Certification Sector shall be in charge of codes and standards. The Committee shall consist of a Chair and a membership as determined by the Technical ~~Events and Content~~ and Engineering Communities Council.



2019 Technical and Engineering Communities: Action Plan

November 10 Board Of Governors Meeting

What to Expect from Presentation

- **Brief Description** – This presentation will provide an opportunity to concur with Actions by the SVP, TEC
- **Desired Outcome** – This presentation is for Board Concurrence
- **Questions** – Please ask questions
- **Duration** – 15 Minutes have been allocated for the presentation and discussion



Deliverable ...

- A TEC Organization Recommendation that will:
 - Engage all Divisions in TEC to support the ASME Strategy and new technology
 - Create a Division agreed to structure that works for them
 - Enhance collaboration within TEC
 - Increase joint efforts to aid in process efficiencies
 - Provide agility and adaptability to ASME engagement
 - Place focus on technologies ... our fundamental cornerstone

Near Term Actions ...

- A facilitated “30 to 45-day period” with Division and Segment Leadership to adapt alignment and technical community engagement with a focus on ASME’s technology priorities.
- Summary Level Report to BOG on issues and progress
- A “30 to 45 day” period to socialize a path forward with volunteers and staff and integrate with other Staff Activities
- Socialization and adjustment at GLDC
- Summary Level Report to BOG on proposed New activities and increased participation within Existing technical activities,
- Preparations to create new Divisions/Groups: Wind, Robotics/AI, Renewable and Clean Energy and possibly 1 or 2 in GTS
- 60 to 90-day period for initial implementation
- Monthly progress reporting by SVP
- Active dialogue with volunteers as organization matures

Concurrence from Board of Governors ...

Thank you !



Board of Governors Agenda Item Cover Memo

Date Submitted:	October 14, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Council on Standards and Certification
Presented by:	Sam Korellis and Claire Ramspeck
Agenda Title:	The Future of Standards and Certification

Agenda Item Executive Summary:

In order for Standards and Certification to continue their success, we need to build upon our strengths while recognizing the ever-changing market. This presentation will review our current standing and discuss our strategy moving forward.

Proposed motion for BOG Action: None – information only

Attachments: PowerPoint Presentation

The Future of Standards & Certification

Sam Korellis and Claire Ramspeck

**2019 Board of Governors Meeting
November 10, 2019**

What to Expect from Presentation

- **Brief Description** - This presentation will review the current status of Standards and Certification and discuss our strategy moving forward.
- **Desired Outcome** - To raise the BOG's awareness and knowledge
- **Questions** –Please ask questions during or after the presentation
- **Duration** – 30 minutes

ASME Standards and Certification

Standards

- First Standard Issued 1884
- Over 500 Standards
- 70 Consensus Committees
- 700 Subtier Groups under Consensus Committees
- 5 Supervisory Boards
- 5,800 Volunteers
 - Outside U.S. = 1200+ and growing
 - Manufacturers, Users, Government, Insurance, etc.
- 38 Standards Staff
- ASME Standards Accepted for Use in Over 100 Nations
- Administer Over 40 U.S. Technical Advisory Groups (TAGs) to ISO

Certification

- Oversees ASME's Conformity Assessment Certification and Accreditation Programs and Rigorous Protection of the ASME Single Certification Mark ("The Mark")
- Total ASME companies with Certificates of Authorization and Accreditation*:
 - Companies with ASME Certificates 7,198
 - Total ASME Certificates Issued 12,605
- Conformity Assessment manages
 - 36 CA Staff
 - 6 Product Certification programs
 - 2 Accreditation programs
 - 3 Personnel Certification programs
- Certifications
 - Average 140 Survey & Joint Reviews per month
 - 65 Jurisdictional / National Board Certificates
 - 57 % of Companies outside North America
 - 55 % of Certificates outside North America

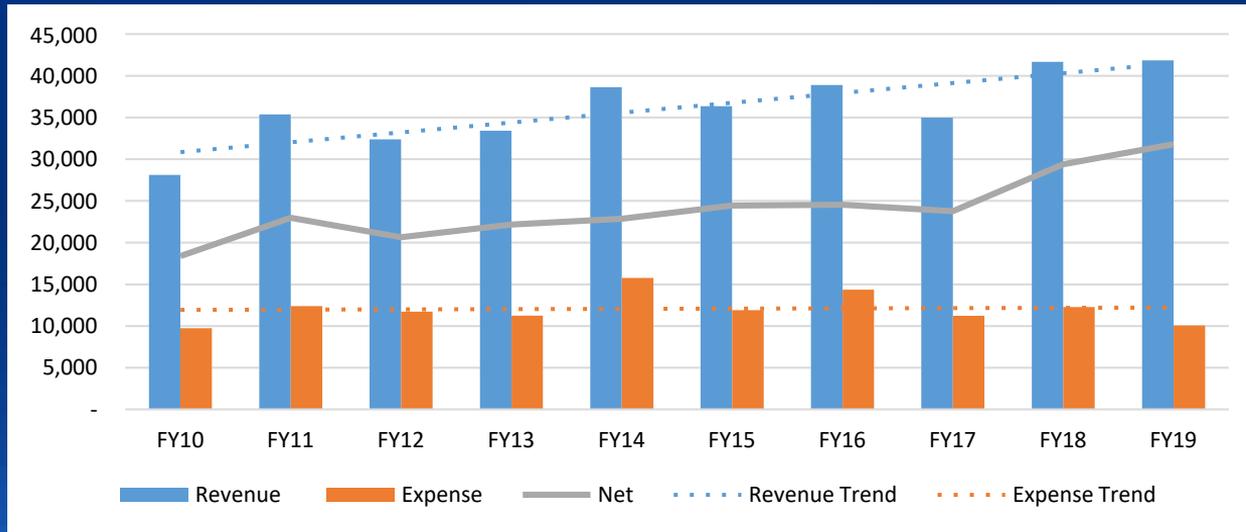
10 Year Standards Performance

(revenue)

Standards with S&C Ops Allocations

\$ in 000s

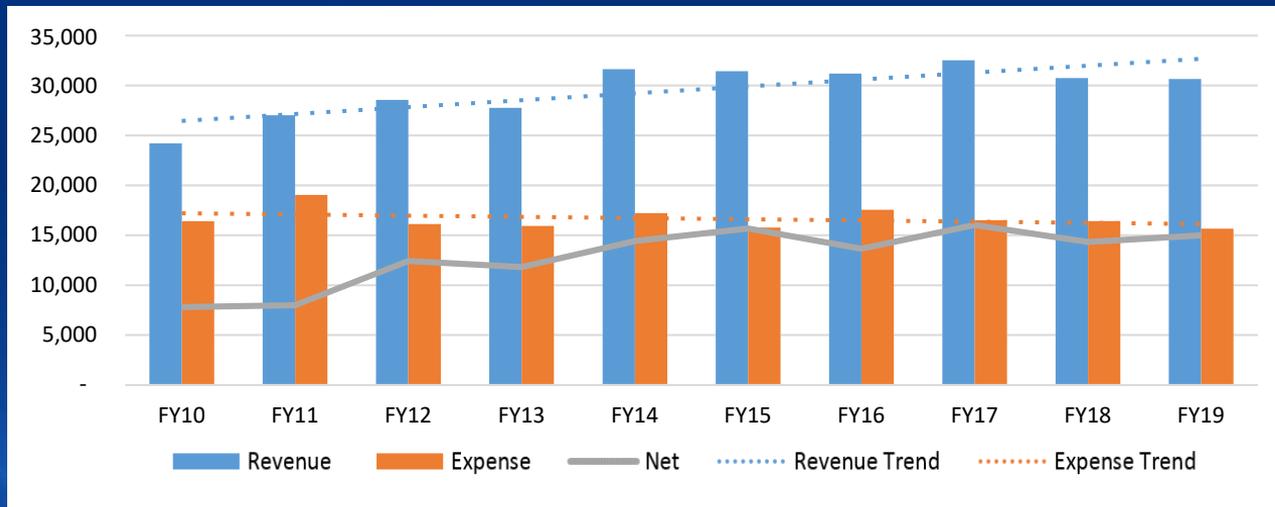
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Revenue	28,108	35,363	32,376	33,406	38,620	36,354	38,903	34,982	41,665	41,852
Expense	9,728	12,384	11,734	11,243	15,768	11,904	14,358	11,216	12,269	10,061
Net	18,380	22,980	20,642	22,164	22,852	24,449	24,545	23,766	29,396	31,791



10 Year Conformity Assessment Performance (revenue)

10 Year Historical Financials
Conformity Assessment with S&C Ops Allocations
\$ in 000s

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Revenue	24,212	27,024	28,549	27,754	31,640	31,438	31,202	32,521	30,744	30,650
Expense	16,409	19,038	16,130	15,940	17,717	15,770	17,546	16,493	16,416	15,652
Net	7,803	7,985	12,419	11,815	14,424	15,668	13,656	16,028	14,328	14,998



Headwinds

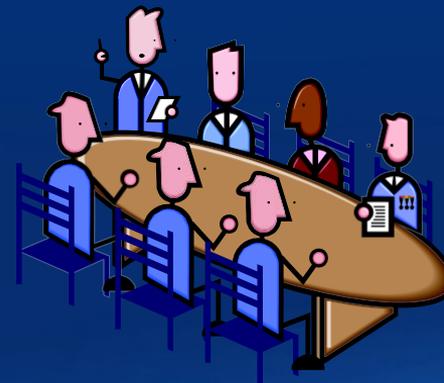
- Incorporation by Reference (IBR)
- Violations of intellectual property rights
- Significant percent of revenue from one product
- Industry softness (e.g., nuclear, oil and gas industry slump)
- Aging volunteer team
- Demand for products faster
- Competing and Pirated Standards

Path Forward



Current Actions

- New Product Development
 - Board on Strategic Initiatives (BSI)
 - Advises Council on strategic actions to secure future successes
 - Ongoing strategic actions within the other 4 supervisory boards
- Standards Triage
 - Maintain
 - Advance
 - Sunset
- Increasing non-US participation
- Increasing cross sector collaboration
 - E-Fests
 - Conferences



Current Actions

- Strong relationship with ANSI
- Re-negotiated third party distributors (resellers)
- Improved relationship with resellers
- Initiated discussions with major users (strategic outlook)

Future Expectations

Goal: Grow, strengthen and expand our reputation as the “go-to” organization for resources to solve technical problems and delivering advancements toward public safety.

Strategy: Grow existing products and retain existing customers, strengthen processing systems and operations, expand product offerings that include the development of product derivatives.

Metrics of success: Main 81% retention rate, increase number of product offerings, launch phase II expansion of CA Connect to include 30% more business processes handled manually, conduct product workshops and increase global accessibility of products

FY20 Initiatives

- Maintain 81% pressure equipment retention rate
- Conduct global C360 workshops for regulators, agencies and certificate holders and expand content to include Standards and Training product elements
- Launch Phase II of the CA Connect project to include 30% more business processes currently handled manually
- Establish a DTO for ANDE program in Europe.
- Establish an enhanced code verification program to include electronic copies and subscriptions
- Conduct required AIA & ASME Designee Training for the 2019 Edition of the BPV Code
- Successfully pass C3A2 Audit of all CA programs

1-3 Year Initiatives

- Continue outreach and education of regulators, agencies, certificate holders and end-users on the CA product line
- Global marketing of PRT product certification and BPV product certification derivatives
- Expand CA derivative product offerings
- Maintain 82% pressure equipment retention rate for the FY'21 Code Cycle
- Recognition and awareness of NQA-1 certification in Europe, the U.S. and India
- Launch ANDE BPV Personnel Certification line
- Establish an ASME CA/AIA certificate training partnership

3-10 Year Initiatives

- Research and development of a QA-1 standard and certification product
- Research and development of an advanced manufacturing certification product
- Maintain 83% pressure equipment retention rate for the FY'23 Code Cycle
- Development of B31.1 Product Certification
- Mobile access / paperless CA process
- Develop and establish a non-U.S. regional certification product
- Develop a Conformity Assessment program against a non-ASME standard

Goal: ASME is a pre-eminent source of technical and globally relevant standards which are recognized, accepted and used around the world

Strategy: Beginning with projects initiated in FY18, develop tools and refine processes to improve the time and resources to develop standards, maintain the integrity and reputation of ASME's current portfolio, and expand the scope and breadth of offerings

Metrics of success: Develop new standards in the five technology areas, grow international participation in standards development, expand the international use of standards, raise the number of committee members under age 50

F20 Initiatives

- Publish at least 10 new standards or standards related products directly related to one or more of the five technology areas
- Support major projects, including overhaul of C&S Connect and continued implementation of improved standards initiation and development process
- Provide standards-related input to other units' initiatives to ensure timely collaboration

1-3 Year Initiatives

- Launch or publish at least 18 new products directly related to one or more of the five technology areas
- Support completion of C&S Connect overhaul
- Implement standards development changes identified by project team focused on standards initiation and the development process

3-10 Year Initiatives

- Increase international participation in standards development and use
- Reduce non-value added layers and roles in the development process; focus efforts and engagement of volunteers on the development of content and implementation of standards
- Develop, maintain, and nurture the pipeline of new strategic ideas, and ensure effective implementation of those with the highest potential

Assistance and Support

- Communicate S&C actions to others inside and outside ASME
- Continue to facilitate cross sector collaboration
- Encourage corporate support of volunteer work
- Support S&C strategic planning activities



Q&A





Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 24, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Tom Costabile and Laurel Raso
Presented by:	Tom Costabile and Laurel Raso
Agenda Title:	Update on Culture

Agenda Item Executive Summary:

This is an information item for the Board, to review and discuss the results of the 2019 staff culture survey and related action items.

Proposed motion for BOG Action: This is an information item for discussion.

Attachment(s): PowerPoint presentation

Update on Culture

Board of Governors
November 10, 2019
Salt Lake City, Utah

Tom Costabile
Executive Director/CEO

Laurel Raso
Chief Human Resources Officer



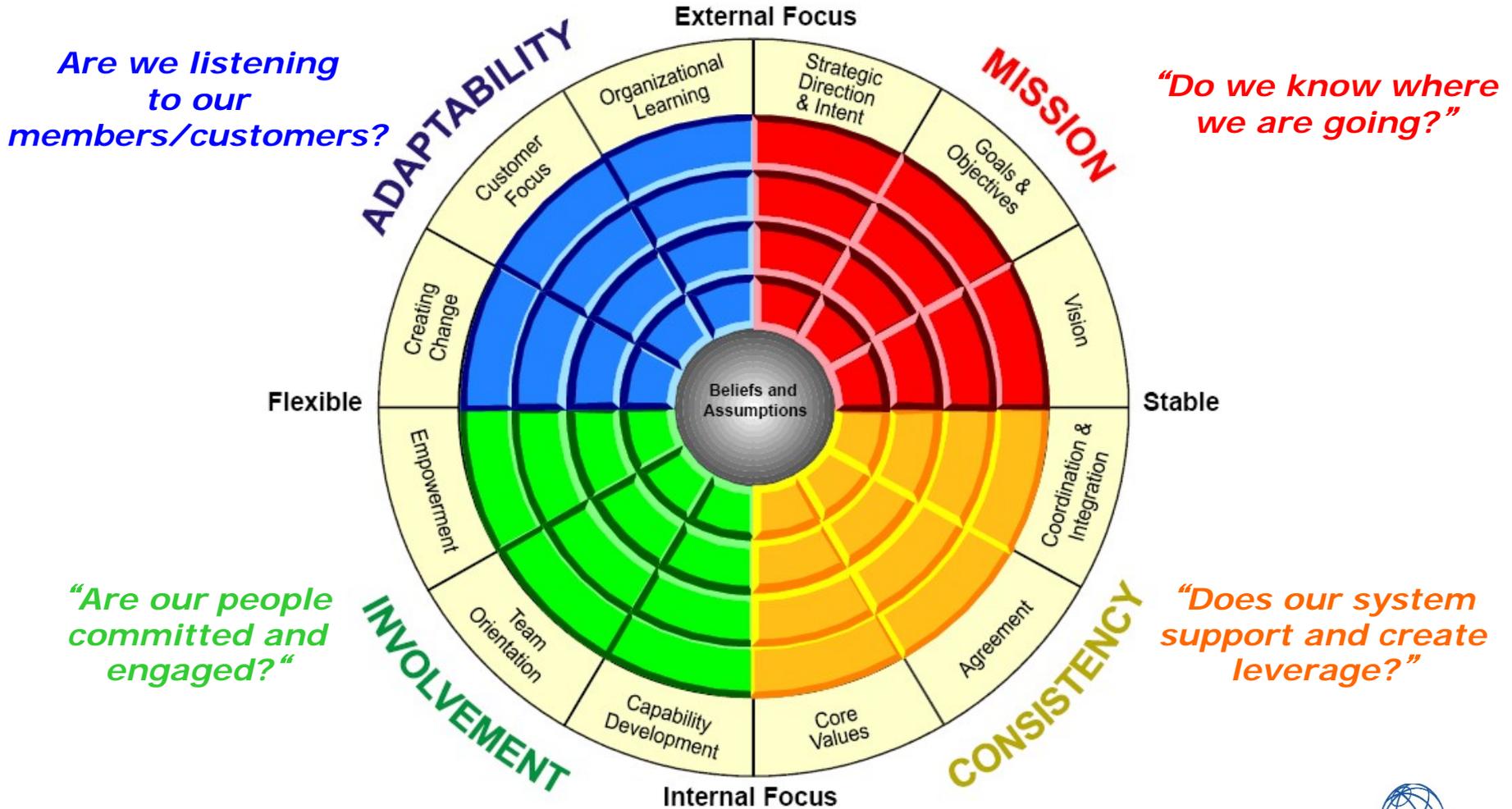
What we'd like to discuss

- Overview of 2019 Culture survey and comparison to 2017
- Actions we have taken thus far

The Denison Culture Survey

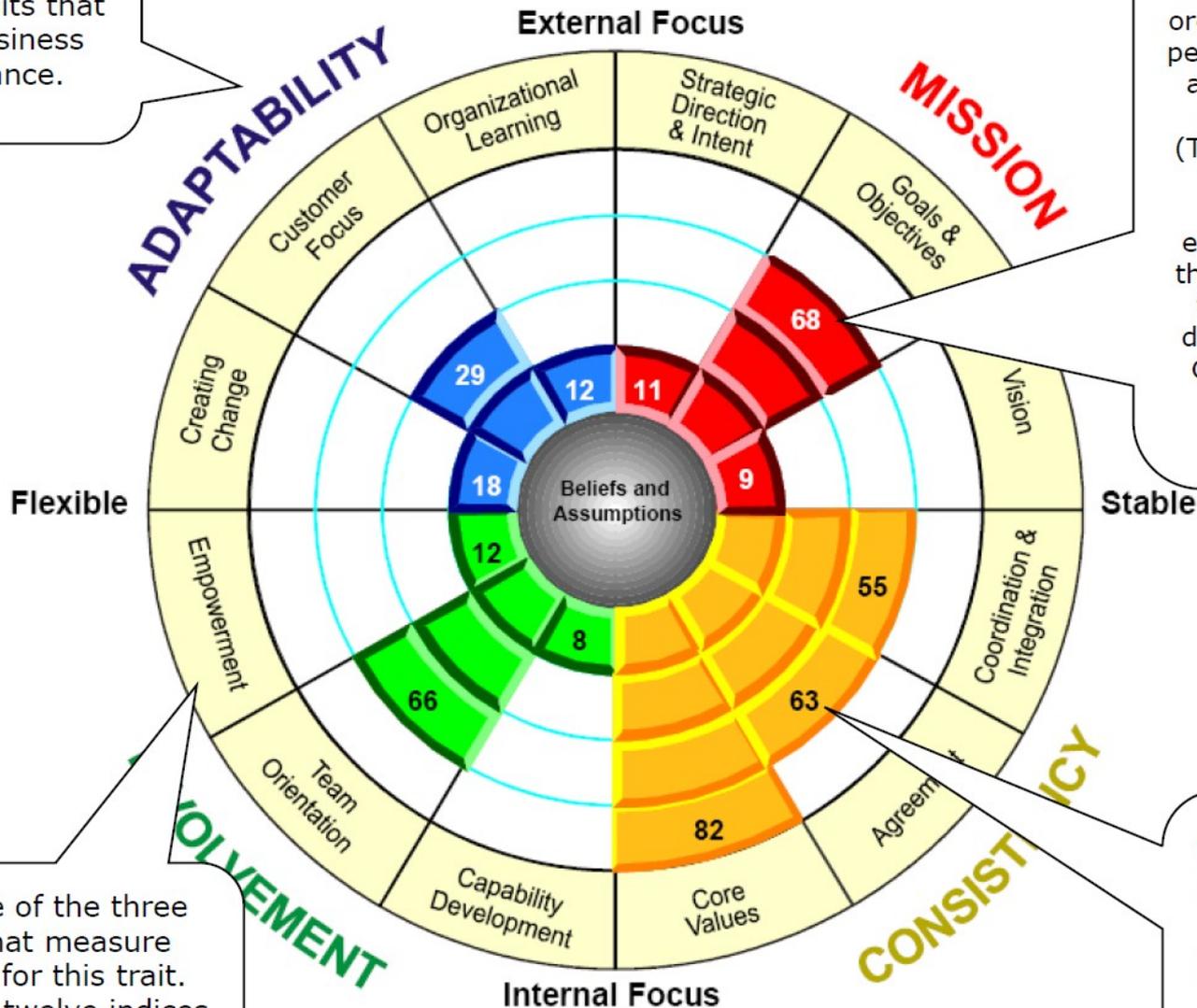
- Developed by Daniel Denison, PhD Organizational Psychology
- Utilized by thousands of companies over 25 years
- Links survey results to bottom-line performance (i.e. profitability, growth, innovation, employee and customer satisfaction)
- ASME worked with CCL (Center for Creative Leadership) and one of their PhD facilitators, to summarize the survey results and review with our staff leadership team

Overview of Denison Model



This is one of the four key traits that impact business performance.

This is a percentile score. A percentile is your organization's score as a percentage benchmarked against the average of other organizations. (This average is called a norm.) This organization, for example, scored better than 68 percent of all of the companies in the database in the area of Goals and Objectives.



This is one of the three indices that measure behaviors for this trait. Each of the twelve indices consists of five survey items.

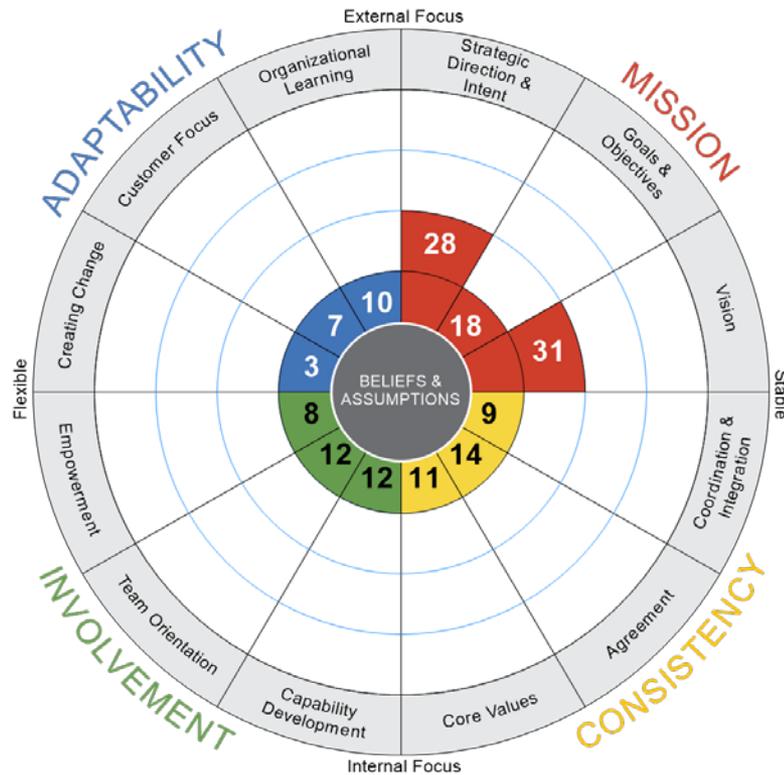
The profile is colored to show the quartile in which the percentile falls. This score, for example, falls in the third quartile.



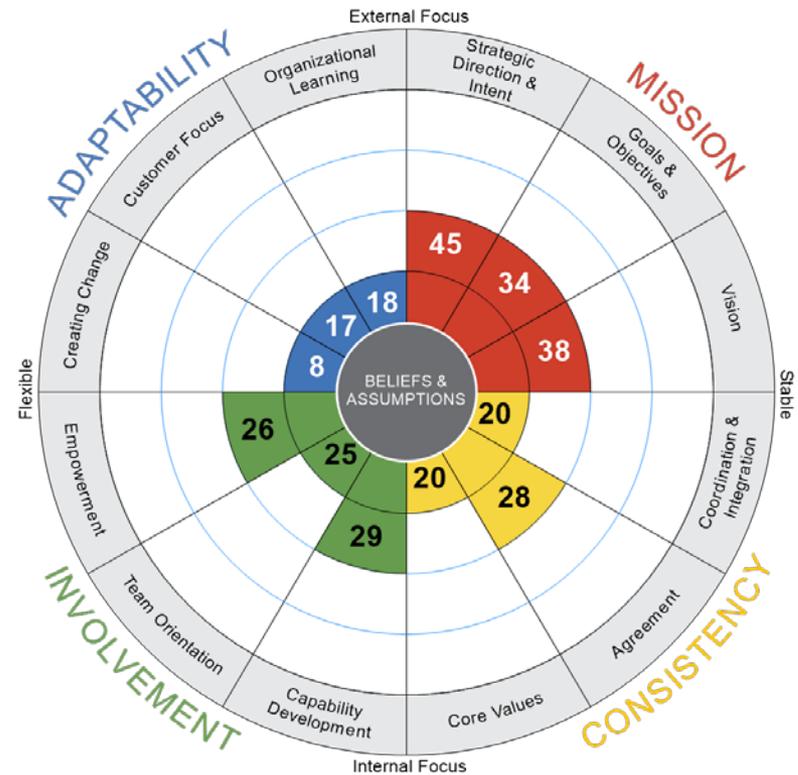
2017-19 Comparison: ASME - Overall

2017: ASME - Overall

2019: ASME - Overall



N = 278

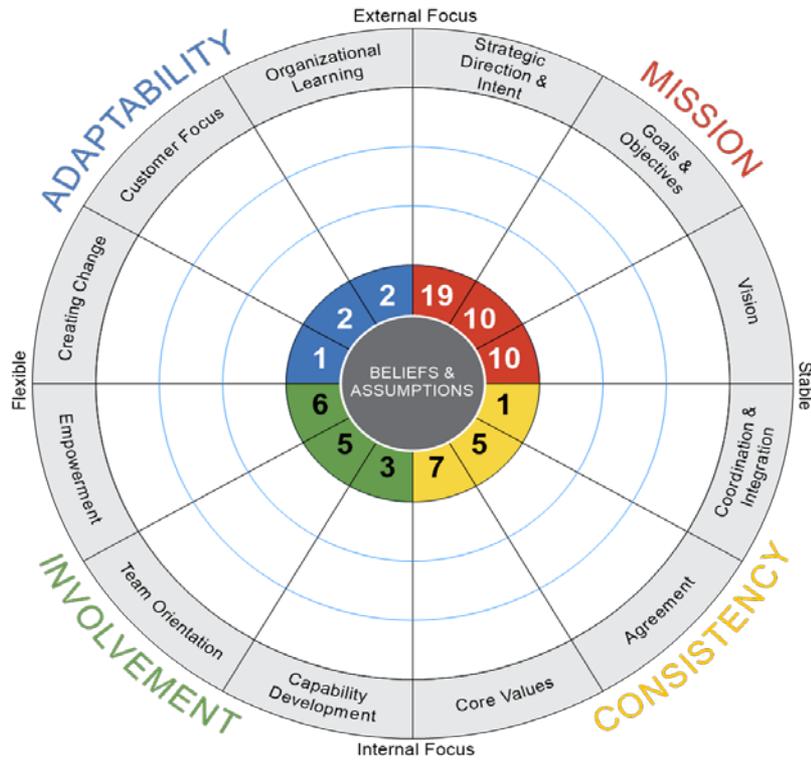


N = 292

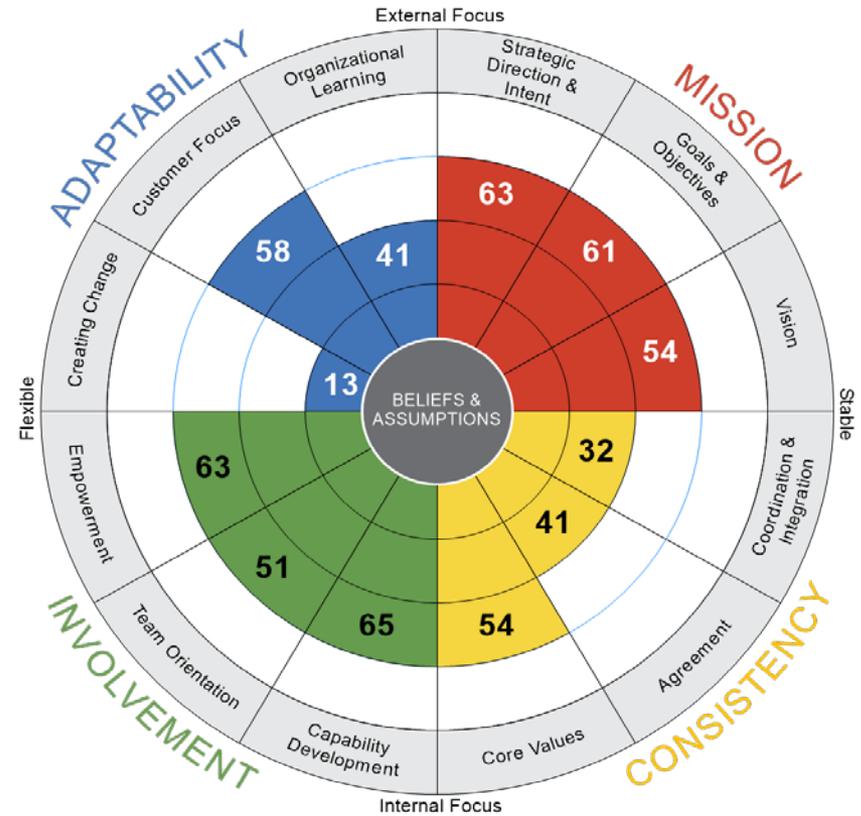
NUMBERS DENOTE PERCENTILES

2017 Director and above

2019 Director and above



N = 52



N = 60

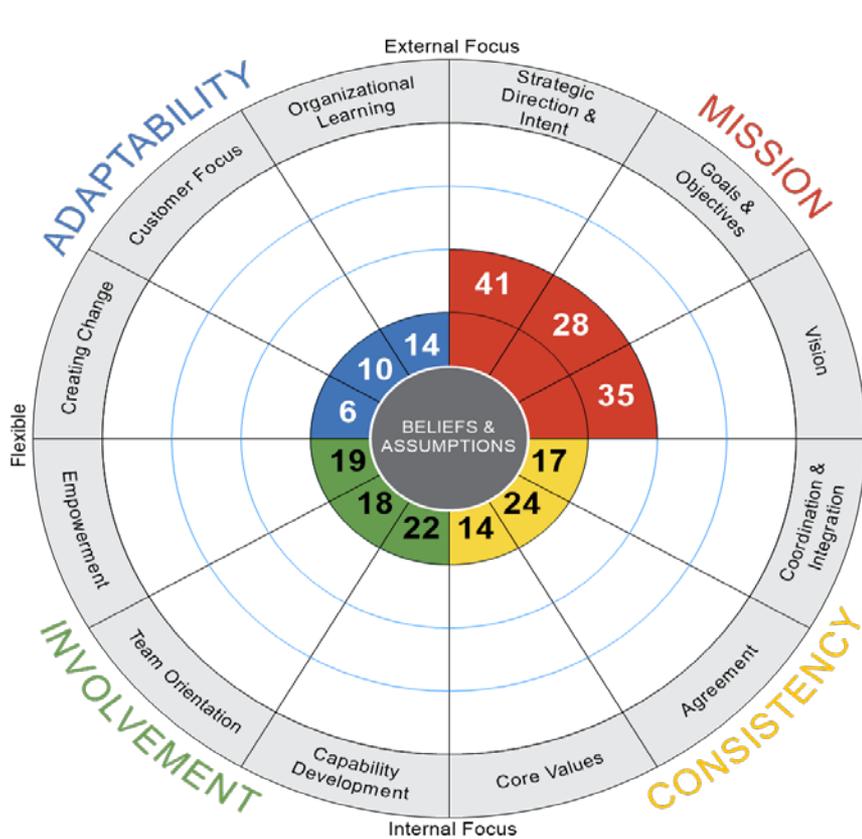
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NUMBERS DENOTE PERCENTILES

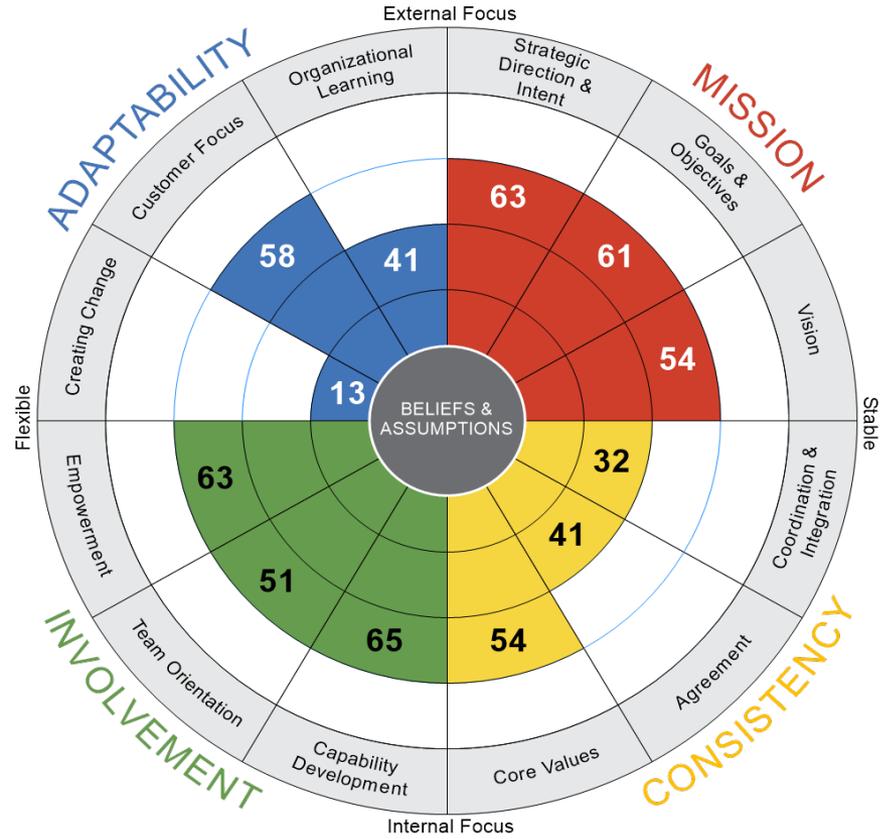
©Daniel R. Denison, Ph.D. All rights reserved

2019: Below Director level

2019 Director and above

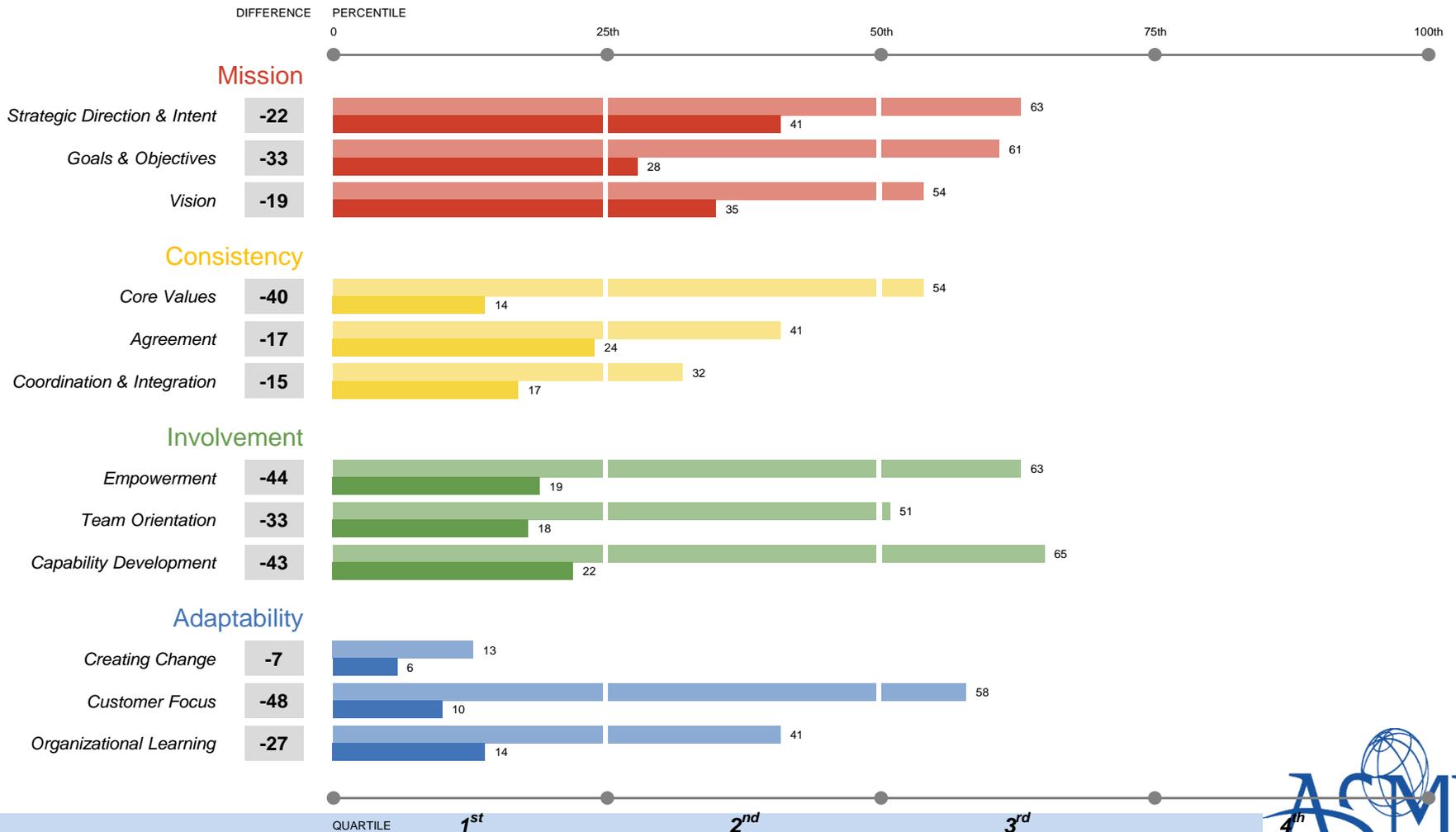
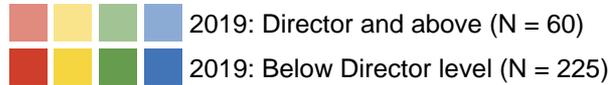


N = 225



N = 60

NUMBERS DENOTE PERCENTILES



What have we done in response to the 2019 survey to date:

- Launched a series of communications/discussions
 - Memo from ED/CEO to all staff
 - Meeting EMT, MDs, facilitated by CCL
 - Meeting with Directors
 - MDs with their teams
- Launched a series of workshops for our Directors, focused on:
 - Cascading their positive experience of the culture
 - Acknowledging good work
 - Engaging the team to solve big problems
 - Empowering staff to implement positive change
- Launched a series of workshops with our Managing Directors
 - To ignite the power of that cohort as a team
 - To reinforce culture work

What have we done in response to the 2019 survey to date:

- Continued our coaching and 360 feedback process for leaders:
 - 17 directors participating in 2019
 - 9 managing directors participating in 2019
- All leaders have an incentive objective for this fiscal year based on improving culture in their teams
- All staff have an opportunity to contribute to a culture improvement in their performance objectives for this fiscal year

What's next

- Lots of great ideas percolating through the organization – more to do
- General Themes:
 - Improve our leaders' ability to translate organizational activities for their teams
 - Improve our leaders' ability to provide clarity, direction, alignment for their teams
 - Improve engagement for our staff
 - Improve our communication
 - Continue to build on progress

Examples of initiatives in the pipeline or under consideration

- Implement change at the “local” level, based on unit-specific feedback
- Reboot our recognition program
- Launch new learning opportunities for staff below director level
- Find ways, especially in NY, for staff to make connections with each other
- Consider revising performance traits on performance review for alignment
- More to come...

Thank you for your time

Questions?



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 10, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	Strategy Advisory Committee

Agenda Item Executive Summary:

The composition and charge of the Strategy Advisory Committee, which is a Committee Reporting to the Board of Governors, is changing. The responsibilities of the Committee include:

- To ensure the long-term continuity of strategy and planning through successive Boards and provide oversight so that any proposed changes to strategy are properly vetted and approved by the Board.
- To review and provide feedback on strategy-related presentations and recommendations being presented to the Board; ensure all appropriate strategy issues are discussed by the Board.
- To ensure ongoing relevance, appropriateness, and achievability of the ASME strategic plan and provide the Board with timely recommendations.
- To provide input to staff and review recommendations related to proposed “deep dive” discussions, relevant speakers, and materials for the Board.
- To review and recommend funding strategies on strategic transactions (e.g. mergers and acquisitions, partnerships, alliances) and work with the Committee on Finance and Investment to ensure funding for priority strategic initiatives.

The Committee on Organization and Rules recognizes that this proposal shows the Executive Director will be a voting member of the SAC. The Committee understands that there are some associations that allow their Executive Directors to be a voting members on its units and others do not.

The Committee does not endorse this proposed change because this would set a precedent. In addition, the Committee is concerned about the influence the Executive Director would have on the SAC and that voting positions like these might form a chilling impact on committees getting member supported recommendations to the Board of Governors. The Committee defers the decision on whether the Executive Director should be a voting member to the Board of Governors.

To initiate the discussion, the following motion is proposed:

Proposed motion for BOG Action: To approve changes to B-5.2.6 for first reading.

Attachment(s): By-Law changes.

B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.1 The sectors reporting to the Board of Governors shall be the Standards and Certification Sector, Technical Events and Content Sector, the Public Affairs and Outreach Sector and the Student and Early Career Development Sector.

Each sector shall be led by a council. The council of each sector shall consist of such voting members as specified in the sector By-Laws. Individuals, as may be required or designated pursuant to any statute, regulation, or court order or consent decree may also be voting or non-voting members of a sector council. A member of the senior staff of the sector, if any, may be a voting member of the sector council. The sector council may designate both volunteer and staff non-voting members.

The duties and responsibilities of the sectors shall be as designated from time to time by the Board of Governors. Each sector shall maintain its own operation guide as prescribed by Society Policy. Each sector shall be chaired by a senior vice president who shall serve a term of three years. Additional service as the same senior vice president may occur after an interruption of one or more years or following a partial term. Senior vice presidents shall attend meetings of the Board of Governors without vote.

B5.2.2 The following Standing Committees shall report to the Board of Governors and shall be appointed by the Board as determined in the By-Laws: Committee on Organization and Rules, Committee on Finance and Investment, Audit Committee, Committee on Executive Director Evaluation and Staff Compensation, Strategy Advisory Committee, Committee on Honors, Committee of Past Presidents, the Sector Management Committee and the Philanthropy Committee. Each Standing Committee shall maintain its own operation guide as prescribed by Society Policy. If a Standing Committee includes individuals who are not Governors, it is not a committee of the Board and may not bind the Board; provided, however, that the Committee on Finance and Investment may bind the Board with respect to investment matters without regard to whether it includes individuals who are not Governors.

B5.2.3.1 The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership, and shall reexamine regularly the Constitution, By-Laws and Policies of the Society.

B5.2.3.2 The Committee on Organization and Rules shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.4.1 The Committee on Finance and Investment, under the direction of the Board of Governors, shall have responsibility for supervising the financial and investment affairs of the Society, and supporting the Board and its committees by conducting an annual review of the Society's budgets.

B5.2.4.2 The Committee on Finance and Investment shall select its own Chair.

The Treasurer shall be an ex officio member of the Committee with vote and shall serve as Vice Chair. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.5.1 The Committee on Executive Director Evaluation and Staff Compensation, under the direction of the Board of Governors, shall have responsibility for making recommendations to the Board regarding the Executive Director's performance planning and evaluation and for making recommendations to the Board regarding the Executive Director's compensation, including salary and bonus recommendations.

The Committee shall also have the responsibility to advise the Board of Governors on activities of the Society's staff regarding: staff compensation, including bonus programs; volunteer/staff collaboration survey; staff planning and organization; staff training and development; staff and retiree benefit programs, including pension plans. The committee will also be responsible for staff related Society Policies P-7.1, (Recognition of Staff Members - 5 Years or More of Service) and P-7.2, (Staff Employment Guidelines).

In addition, the Committee has oversight responsibilities for the Pension Plan Trustees and the Retirement Plan Committee.

B5.2.5.2 The Committee on Executive Director Evaluation and Staff Compensation shall consist of the President, the President-Nominee/Elect, the Immediate Past President and three current Board members at-large (serving staggered terms on the Board). The President and Immediate Past President are ex officio members of the committee with vote. The President-Nominee/Elect is an ex officio member of the Committee without vote. The Immediate Past President shall be the Chair. The incoming first-year Governor shall be selected by the President-Elect and approved by the Board of Governors.

The term of each of the current Board members at-large expires when their Board term expires.

B5.2.5.3 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Chief Financial Officer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for additional full terms, a member-at-large must be nominated by the Committee on Executive Director Evaluation and Staff Compensation upon a finding

by the Committee that specifies exceptional circumstances warranting the additional terms, and a written statement of such findings must accompany the nomination when it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.

B5.2.5.4 The Retirement Plan Committee, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the ASME Thrift Plan, the ASME Defined Contribution (DC) Plan, the ASME 457(b) Plan, and the ASME 401(k) Plan documents, including to act as Plan Administrator and Named Fiduciary for such plans and assume such responsibilities as developing investment policy statements, selecting and monitoring investment choices, benchmarking Plan administration expenses and investment plan administrators performance and selecting, appointing and retaining plan investment, governance and plan administration compliance advisors, as well as having the power to make ministerial and technically required plan amendments.

The Retirement Plan Committee shall consist of four members: two members of the Executive Management Team, one member of the Human Resources Department and one Volunteer member of the Pension Plan Trustees. The three staff members will be nominated by the Executive Director and appointed at the discretion of the EDESC. The pension plan trustee shall be recommended by the Pension Plan Trustees and may be appointed at the discretion of the EDESC.

The ASME Staff members of the Committee may be members with vote for as long as they hold the positions described in this By-Law B5.2.5.4. The Pension Plan Trustee member's term will be for as long as they are a member of the Pension Plan Trustees.

B5.2.6.1 The Strategy Advisory Committee, under the direction of the Board of Governors, shall have responsibility for providing ~~recommendations and guidance on tasks related to ASME's strategy and planning~~ advice, counsel, and oversight to the ASME staff strategy team.

B5.2.6.2 The Strategy Advisory Committee shall consist of the President, President Nominee/Elect, the Executive Director/CEO, two one current Board members-at-large (~~servng staggered terms, one second year and one third year~~ Governor), one representative from the Industry Advisory Board, and the ~~senior staff member responsible for~~ Chief Strategy Officer. The incoming ~~second~~third-year Governor shall be selected by the President-Elect and approved by the Board of Governors. The term of the Board members-at-large expires when their Board term expires. The representative from the Industry Advisory Board will be recommended annually by the Chair of the Industry Advisory Board and approved by the Board of Governors. At the discretion of the President, an additional member-at-large may be appointed for a one-year term by the Board of Governors. The Chief Strategy Officer shall be a non-voting member. The Committee shall select its own Chair.

B5.2.7.1 The Committee on Honors, under the direction of the Board of Governors, shall have responsibility for recommending properly selected candidates for honors, medals, Honorary Members, and awards, and as required shall recommend recipients of joint awards, all subject to approval by the Board of Governors. However, the Board may delegate to the

Committee on Honors the power to approve candidates for any honor, medal or award other than Honorary Member or ASME Medalist.

B5.2.7.2 The Committee on Honors shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The Chair of the General Awards Committee shall be an ex officio member with vote. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.7.3 The General Awards Committee, under the direction of the Committee on Honors, shall seek candidates for all honors and awards except Honorary Members, the ASME Medal, and group-level awards, and shall screen nominations and make recommendations to the Committee on Honors.

The General Awards Committee shall consist of a Chair, a Vice Chair and a membership as determined by the Committee on Honors.

B5.2.7.4 Other Society award committees, including special award committees, shall in accordance with the policies and procedures administered by the Committee on Honors, seek nominees for honors in their several areas of interest, shall screen nominations, and make recommendations to the Committee on Honors.

B5.2.8.1 The Committee of Past Presidents, under the direction of the Board of Governors, shall have responsibility for electing Fellows, overseeing the ethical practice of engineering, and providing guidance on matters where its experience may be useful, upon request by the President, Board of Governors, and other units of the Society.

B5.2.8.2 The Committee of Past Presidents shall select its own Chair and Vice Chair. Its membership shall consist of all living Past Presidents.

B5.2.9.1 The Audit Committee, under the direction of the Board of Governors, shall have responsibility for overseeing the accounting and financial reporting process of the Society and the audit of its financial statements and report its activities to the Board. The Committee will be responsible for overseeing the adoption and implementation of, and compliance with, the Society Policies on whistleblowers and conflicts of interest. The Committee will annually consider the performance and independence of the independent auditor and recommend retaining or renewing the retention of the independent auditor to the Board. The Committee will liaise with the independent auditor prior to the commencement of the audit and upon completion of the audit, review and discuss the audit results and any related management letter with the auditor, including:

(a) any material risks and weaknesses in internal controls identified by the auditor;

(b) any restrictions on the scope of the auditor's activities or access to requested information;

(c) any significant disagreements between the auditor and management; and

(d) the adequacy of the Corporation's accounting and financial reporting processes.

B5.2.9.2 The Audit Committee shall consist of three current Board members-at-large (serving staggered terms on the Board) who serve as voting members. The Committee

membership is determined by the Board of Governors and consists solely of “independent” members of the Board as defined under Section 102(a) (21) of the New York Not-for-Profit Corporation Law. The Chair shall be the senior Governor and the Vice Chair shall be the second-most senior Governor.

The Treasurer shall be an ex officio member of the Committee without vote. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. The President-Elect makes the recommendation on the incoming first-year Board member-at-large. The term of the Board members-at-large expires when their Board term expires.

- B5.2.10.1 The Sector Management Committee, under the direction of the Board of Governors, shall have responsibility for facilitating communication and collaboration among the Sectors. This includes coordination, integration, and facilitation for implementation of the enterprise strategy with the development, maintenance and execution of the Integrated Operating Plan,
- B5.2.10.2 The Sector Management Committee shall consist of the Senior Vice Presidents and the Chair of the Group Engagement Committee, their respective staff counterparts, and the staff member with overall responsibility for operations. The Co-Chairs of the Committee shall be the Senior Vice President in their third year and the staff member with overall responsibility for operations. The President-Nominee/elect will serve as an advisor to the Committee.
- B5.2.11.1 The Philanthropy Committee, under the direction of the Board of Governors, shall have responsibility for advising the Board of Governors and assisting the Society in connection with fundraising activities and philanthropic programs carried out using the Society’s name or other resources.
- B5.2.11.2 The Philanthropy Committee shall select its own chair and vice chair. The ASME Executive Director, the ASME Managing Director of Philanthropy and the ASME Managing Director of Programs shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 24, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	Nicole Kaufman Dyess and Jared Oehring
Presented by:	Nicole Kaufman Dyess and Jared Oehring
Agenda Title:	Changes to the ASME Officer Nomination and Selection Process

Agenda Item Executive Summary:

A presentation providing an overview of recommendations and an implementation timeline for proposed Constitutional and Bylaw amendments and an initial Operating Guide for the reformed Nominating Committee.

Proposed motion for BOG Action: None – discussion only

Attachment(s): PowerPoint Presentation

Changes to the ASME Officer Nomination and Selection Process: A Step Change for the Future of ASME

Nicole Kaufman Dyess and Jared Oehring

Recommendations from the leadership of the 2019 Nominating Committee
in consideration of findings from the recent Nomination Process Task Force



What to expect from this presentation

Brief description. This presentation gives an overview of our recommendations and implementation timeline. Previously circulated appendices contain:
(A) proposed Constitutional and Bylaw amendments and
(B) an initial Operating Guide for the reformed Nominating Committee

Desired outcome. Discussion on the proposed amendments and operating guide; adoption of the changes (first reading)

Questions. Please hold questions until after the presentation

Duration. 30 minutes for both presentation and discussion

The Nomination Process requires change to achieve the desired outcome of selecting highly qualified leaders

- Being selected as Governor means serving in a leadership position on the Board of a major not-for-profit organization—it is not a reward for years of dedicated service
- Committee member qualifications are not keeping pace with BOG expectations to select qualified leaders
- Current selection process does not make use of ASME data acquisition and management technology
- NC structure is cumbersome and outdated
- A more efficient application & meeting schedule will create better outcomes for all



Key recommendations that support ASME Strategic Objectives:

Phase 1: In process

Items within the NC's scope of control:

- Eliminate Support Speakers
- Implement a multi-stage interview process, including recorded Skype interviews
- Presidential & BOG Candidates invited to HQ for briefing
- Reduce Nomination Packet size
- Utilize instant runoff voting in Selection Meeting

Phase 2: Proposed

Items requiring additional time to implement or Constitution / Bylaw changes:

- Move Nomination Packet online
- Reduce NC size to 10 voting members & 5 alternates
- Empower BOG to select, & possibly reelect President
- Authorize PEDT to make day-to-day operational decisions
- Create option for BOG to recommend nominees who address strategic needs

Phase 3: Planned

Items requiring additional consideration:

- Changes to Society Officer Election Ballot process
- Allow Governors to serve a second term
- Make Executive Director a voting ex officio member of the BOG
- Change Executive Director to report to President as opposed to entire BOG



Phase 1: Changes already in process

The Nominating Committee Manual adopted on 24 October 2019:

- Eliminates Support Speakers
- Allows a multi-stage interview process
- Utilizes instant runoff voting in Selection Meeting

The NC also endorsed a new Candidate Application Process (calendar at right) and approved a shorter Nomination Packet.

DEADLINE	APPLICATION DELIVERABLE(S)
15 January 2020	<ul style="list-style-type: none"> • Letter of Intent • Professional & ASME resumes • Release forms & certifications
1 February 2020	<ul style="list-style-type: none"> • Employer letter of support
2 – 3 March 2020	<ul style="list-style-type: none"> • Recorded Skype interview (30 minutes per Candidate)
15 April 2020	<ul style="list-style-type: none"> • Candidate Application (two long-answer questions) • Letters of support • Background check form
6 May 2020 (Tentative)	<ul style="list-style-type: none"> • Presidential & BOG candidates' briefing at ASME HQ in NYC
15 – 16 June 2020	<ul style="list-style-type: none"> • In-person interviews

Phase 2: Changes requiring additional time

- Moving Nomination Packet to online format – Scheduled for IT development in 2020 in time for use in 2021 application process
- Items requiring Constitutional & Bylaw changes – Specific language previously provided in Appendix A and on following slides:
 - Reduce Nominating Committee size to 10 voting members & 5 alternates (2 VMs + 1 alternate per sector)
 - Change title of President to President & Chairperson to better reflect role
 - Empower BOG to select own President & Chairperson
 - Allow BOG to re-elect Chairperson, if needed (i.e., two-year term)
 - Form an Executive Committee of the BOG to handle day-to-day operational decisions
 - Create option for BOG to recommend nominees who address strategic needs

Reducing Nominating Committee to 10 voting members and 5 alternates (2 VMs + 1 alternate per sector)

Bylaw B4.2.2.1

B4.2.2.1 Election to the Nominating Committee takes place at a Business Meetings of the Society. At the second Business Meeting of the fiscal year, the President shall present the names of those recommended pursuant to By-Law B4.2.2.3, as applicable, for election to the Nominating Committee. In the event any vacancies occur following that meeting, the President may present the names of those recommended pursuant to By-Law B4.2.2.3, as applicable, for any Nominating Committee vacancies at the first Business Meeting of the new fiscal year. The ~~voting~~ members of the Nominating Committee shall be elected for ~~two years and alternates for one year~~ three years:

1. Non-voting alternate member who may deliberate, but not vote unless elevated by a vacancy.
2. Junior voting member who may deliberate and vote.
3. Senior voting member who may deliberate and vote

Elected ~~voting~~ members ~~and alternates~~ shall begin their terms at the close of the Business Meeting at which they are elected.

Terms of ~~voting~~ members ~~and alternates~~ will normally end at the close of the Nominating Committee Selection Meeting. However, if the work of a particular Nominating Committee is not finished by that time, terms of that committee will continue until the selection process for which that committee is responsible has been completed.

Reducing Nominating Committee to 10 voting members and 5 alternates (2 VMs + 1 alternate per sector)

Bylaw B4.2.2.2

B4.2.2.2 The Nominating Committee shall consist of ~~voting~~ members ~~and alternates~~ selected by each sector. ~~Each sector shall have three members: one alternate, one junior voting member, and one senior voting member. The TEC Sector shall have five voting members and five alternates selected by the TEC Sector Council. One voting member and one alternate for the TEC Sector shall be nominated by the Group Engagement Committee for as long as such Committee exists and reports to the Sector Management Committee. The S&C Sector shall have four voting members and three alternates selected by the Council on Standards and Certification. The PAO Sector shall have four voting members and three alternates selected by the PAO Sector Council. The SECD Sector shall have four voting members and three alternates selected by the SECD Sector Council.~~ Approximately one-third ~~half~~ of the ~~voting~~ members will have terms that expire annually. Nominations for open positions for ~~voting~~ members ~~and alternates~~ shall be made as provided in By-Law B4.2.2.3 and shall be voted upon at the Business Meetings as provided in By-Law B4.2.2.1.

Nominating Committee members ~~Voting members and alternates~~ shall be of the Member or Fellow grade and not currently serving in any elective office of the Society.

Reducing Nominating Committee to 10 voting members and 5 alternates (2 VMs + 1 alternate per sector)

Bylaw B4.2.3.1

B4.2.3.1 If a voting member is unable to serve, then the ~~alternate member for the sector will be elevated to voting member. alternate will be identified by the sector from its pool of alternates.~~ In the event that the alternate member is not available ~~no alternates are available~~ in a specific sector, ~~an alternate member from any sector may be elevated to voting member an alternate may be selected from another sector pool of alternates~~ in accordance with the Nominating Committee Manual, MM-10.

Change title of President to President & Chairperson to better reflect role

Constitution C4.1.1

C4.1.1 The affairs of the Society shall be managed by a Board of Governors chosen from its membership which shall have full control of the activities of the Society, subject to the limitations of the Constitution and By-Laws, Society Policies and the laws of the State of New York. The voting members of the Board of Governors shall consist of the President **and Chairperson of the Board (hereafter called President)**, the most recent available past President, nine members at-large ~~and including~~ the President elect ~~(if not currently a member at-large)~~.

The nine members at-large of the Board shall be elected from the corporate members of the Society of Member grade or higher. The term of each member-at-large shall be three years, with the term of three members-at-large beginning and ending during the second Business Meeting of the fiscal year of the Society at a time designated annually by the Board of Governors.

Members-at-large of the Board of Governors shall be limited to one full term of service. Additional service as a member-at-large may occur after an interruption of one or more years or as a consecutive partial term.

Empower BOG to select own President & Chairperson

Constitution C4.1.8

C4.1.8 The Board of Governors corporate membership of the Society shall elect annually a Nominating Committee whose duty shall be to select nominees for the positions of ~~President~~, at-large members of the Board of Governors ~~and vice-presidents~~ to be filled at each annual election.

The position of President and Chairperson of the Board shall be selected by the members of the Board of Governors from amongst themselves.

Allow BOG to re-elect Chairperson, if needed (i.e., two-year term)

Constitution C4.1.3

C4.1.3 The President shall be a corporate member of the Society who has reached at least the grade of Member. He or she shall be elected for a term of one year. The President may not serve more than ~~one term~~ **two terms consecutively** except if he or she is appointed to fill a vacancy.

Form an Executive Committee of the BOG authorized to handle day-to-day operational decisions

Bylaw 4.1.13 (New Bylaw)

An Executive Committee of the Board shall be established and authorized to address urgent and pressing business when it is not possible or practical for the entire Board to meet. The Executive Committee shall consist of the President, immediate Past-President, President-Elect, and Executive Director. The Executive Committee may accept deposits and make investments on behalf of the Board.

Create option for BOG to recommend nominees to the Board to address strategic needs

No Bylaw change needed

Bylaw B4.2.1. The Nominating Committee is charged with the responsibility of nominating members of experience, high standing, and active participation in the work of the Society to those offices specified in Article C4.1.8 of the Constitution. *These nominees may be selected from proposals by various units* or by individual members in the Society or from the Nominating Committee's own deliberations as it sees fit.

Changes to be implemented via the Nominating Committee Manual (Appendix B).

Create option for BOG to recommend nominees to the Board to address strategic needs

New Nominating Committee Manual

4.2.5. Application Process Exemptions

In certain rare instances, the Nominating Committee may vote to exempt certain Candidates from the typical Application Process and deadlines. Such situations include, but are not limited to, receiving a recommendation from the Board of Governors regarding a Candidate of particularly superb quality; and when the Nominating Committee decides to solicit additional Candidates for Office after the start of the Selection Meeting.

Exempting a Candidate from the typical Application Process shall require a simple majority of Voting Members present at a Committee Business Meeting.

Create option for BOG to recommend nominees to the Board to address strategic needs

New Nominating Committee Manual

4.3.4. Priority Consideration of BOG-Recommended Candidates

Should the Board of Governors (BOG) recommend a Candidate of extraordinary quality for the Nominating Committee's consideration, then the Nominating Committee shall hold a yes-or-no vote on the BOG-endorsed Candidate prior to any voting or balloting on the other Candidates.

Consensus shall be required to consider the position-vacancy filled by the BOG-endorsed Candidate.

Discussion



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	10/24/2019
BOG Meeting Date:	11/10/2019
To:	Board of Governors
From:	Tom Costabile
Presented by:	Tom Costabile
Agenda Title:	FY20 ED/CEO Goals

Agenda Item Executive Summary:

An overview of the FY20 ED/CEO Goals will be presented. These goals have been approved by EDESC and are provided for the Board's review and consideration.

Proposed motion for BOG Action: **Approve the FY20 ED/CEO Goals.**

Attachment(s): One

FY20 ED/CEO
Annual Performance & Incentive Goals

EDESC

Board of Governors

Thomas Costabile
Executive Director/CEO

FY20 ED/CEO Annual Performance Goals

- Supported by EDESC and ED/CEO for BOG Approval
- General Construct:
 - Stated Goals are generally broad measures of desired outcomes; generally harder to measure
 - Stated Objectives are generally measurable and observable and reflect success in achieving the goal
 - Goals may be fairly consistent year to year, but stated objectives, or success metrics may vary
 - Progress reports begin with Q1 for FY20

FY20 ED/CEO Annual Performance Goals

	FY20 ED/CEO Performance Goals	Q1	Q2	Q3	Q4	Executive Commentary
#						On Track At Risk Off Track Complete
1	Operational Excellence					
a	Complete IT transformation per FY20 IOP					
b	Continue to enhance enterprise-wide IT systems					
2	Delivering on the Strategy					
a	Develop international strategy; Update current ASME strategy profile and documentation and include international profile					
b	Develop international implementation plan by global regions, tied to the Strategic Technologies					
3	Develop New Sources of Revenue					
a	Identify 1 to 3 new sources of revenue					
b	Once agreed to by BOG, determine financial viability					

FY20 ED/CEO Incentive Goals

- Supported by EDESC and ED/CEO for BOG Approval
- General Construct:
 - 40% of award based on achieving enterprise level financial sustainability goal
 - 60% of award based on delivering non-financial IOP-related or other goals (1-3 non-financial IOP-related/Unit/Individual impact goals)

FY20 ED/CEO Incentive Goals

#	FY20 ED/CEO Incentive Goals	Q1	Q2	Q3	Q4	Executive Commentary			
						On Track	At Risk	Off Track	Complete
1	Improve Philanthropy								
a	Complete new foundation structure								
b	Develop case statement based on input from potential donors								
c	Complete hiring of new staff								
d	Secure new funds								
2	Enhance Membership value								
a	Continue rollout new membership model per IOP								
3	Strengthen Volunteer/Staff Partnership								
a	Improve communication between staff and volunteers for sections, student sections, sectors & divisions								
b	Improve quality of meetings & conferences								
c	Complete Board approved restructuring of the volunteer organization								



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	10/14/2019
BOG Meeting Date:	11/10/2019
To:	Board of Governors
From:	Sector Management Committee
Presented by:	Jeff Patterson and Sam Korellis
Agenda Title:	Sector Management Report

Agenda Item Executive Summary:

The report updates the BOG on SMC activity and is for information only.
There is no action required.

Proposed motion for BOG Action: **n/a**

Attachment(s): One

SMC Report to the Board of Governors November 2019

CONFORMITY ASSESSMENT – SAM KORELLIS/JON LABRADOR

Key Highlights

- Retention rate for Pressure Equipment Certification holding steady at 81.7%%, although a majority of companies that decided not to renew are in the U.S. New certificate issuances holding steady so far this fiscal year as well.
- Conformity Assessment derivative products continue to outperform revenue and signup expectations this fiscal year.
- The Conformity Assessment Code Verification Program for hard copy purchases of the BPV Code proven very effective in FY'19 as demonstrated by increases in code book sales. An enhanced code verification program to include electronic subscriptions to begin next quarter.
- Successful audiences with the Ministries of Production and Energy in the countries of Thailand, Vietnam, Uruguay, India, Italy, Kazakhstan, Brazil and Argentina. In secondary stage discussions with both Thailand and Vietnam to adopt ASME standards and certification in regulations. Argentina has already agreed to subsidies for companies seeking ASME Nuclear Certifications.
- Idaho National Labs achieved ASME NQA-1 Certification in May and has begun it's process of requiring that their suppliers be ASME NQA-1 Certified in September; a major endorsement for CA.
- Conformity Assessment and Standards are in secondary stage discussions with SASO from Saudi Arabia for adoption of standards and associated certifications in Saudi regulations.
- Conformity Assessment requested to present keynote at the 40th Anniversary of the AiPND NDT Conference in Milan, IT on October 24th.
- CA successfully trained and re-certified 100% of ASME's Independent Auditing Force during their biennial training on the 2019 BPVC in August 2019

Upcoming Activities/What's on the Horizon?

- Conformity Assessment 360 Workshop activities continue with the UAE/Saudi Arabia and India up next to raise awareness of ASME's Standards and Certification "gold standard" products.
- Work with two major companies in India continues in September and December to improve quality processes all along their supply chain and incorporate ASME Standards and Certification into their processes.

STANDARDS & CERTIFICATION – SAM KORELLIS/CLAIRE RAMSPECK

Key Highlights

- ☐ The Council on Standards and Certification (CSC) held a conference call meeting October 24 and is meeting November 11 in conjunction with IMECE.
- ☐ In addition to overseeing the work of the supervisory boards that report to CSC, the Council continues to consider proposals for improving the process of initiating new standards projects and the standards development process itself.
- ☐ As a standing agenda item that originated for their meeting in June, the Council will regularly review the market need for new and existing standards. For those standards that are based on steady-state technology, the Council and Boards can move them to less resource-demanding maintenance methods. This will help reduce the workload of volunteers and staff.
- ☐ Another standing agenda item is succession planning. While some standards committees have a diverse group of volunteers, many may be at risk for losing continuous expertise.
- ☐ At the August Boiler Code Week, the inaugural event of Women in Standards and Certification (WiSC) was held. Approximately 75 attendees gathered for a reception, networking, and panel presentations.

Upcoming Activities/What's on the Horizon?

- Years ago, the Council established a Board on Strategic Initiatives (BSI) whose charge is to identify actions and strategies to optimize our position 10-25 years from now. In an effort to bolster BSI's efforts through the inclusion of participants from outside the S&C community, the CSC chair has extended an invitation for broader participation. That participation may come in the form of membership on BSI, serving as an advisor or guest speaker to inform the BSI of specific technical topics, and/or assisting in the evaluation of a new potential idea or action. These participants will help chart S&C and ASME's future; they will broaden their horizons, while learn about S&C and extend their technical networks; they will strengthen the bonds between sectors: they may find or create new volunteer opportunities both within S&C and in other sectors.
- ☐ We continue to look for valuable international growth opportunities. This has included activity in China, the Philippines, India, and Spain. We have 21.8% of our standards committee members from outside the United States.
- ☐ Standards continues to support the E-Fest activities. A staff person will attend the upcoming E-Fest in Perry, Georgia to be held in April.
- ☐ The Council on Standards and Certification (CSC) will hold a conference call meeting in February.

PUBLIC AFFAIRS & OUTREACH SECTOR – KALAN GUILLEY/JOHN HASSELMANN

Key Highlights

- Committee on Government Relations (CGR): September 2019—Organized and executed an ASME-sponsored congressional briefing and expo/reception in partnership with the National Institute of Standards (NIST) and Departments of Commerce, Defense, and Energy to celebrate the release of the 2018 Manufacturing USA Annual Report; over 200 congressional staff, directors from all 14 Manufacturing USA Institutes, and representatives of the engineering and manufacturing community joined Members of Congress to discuss/showcase the Manufacturing USA network's importance.
- ▣ Diversity & Inclusion Strategy Committee (DISC): Reviewed and provided feedback on draft diversity and inclusion (D&I) vision-for-success positioning statements for ASME, which included a D&I statement, guiding principles, and code of conduct.
- Engineering for Global Development (EGD): October 2019—Convened the ISHOW Bootcamp, a social entrepreneurship accelerator where winners from the ISHOWs in India, Kenya, and the U.S. received their tailored Design & Engineering Review (DER), a deep-dive into hardware design and challenges for these startups; also convened the third Impact.Engineered at NYU's Tandon School of Engineering to highlight engineers' role in achieving the UN's Sustainable Development Goals, among other complex solutions; and the 2019 Engineering for Change (E4C) Research Fellows—15 from 10 countries—successfully completed their term, with projects collaborating with Autodesk/Norwegian Red Cross, among others.
- The Industry Advisory Board (IAB): Sept. 2019—the IAB held its fall meeting in Washington, DC to focus on digital transformation (DT) and its impact on design, implementation, and lifecycle management of mechanical systems; speakers included officials from NIST and Depts. of Defense and Energy; and IAB Exec. Committee held a strategic planning session with T. Costabile and M. Johnson.
- Pre-College Education (K-12 STEM): ASME INSPIRE kicked off its sixth year of activation with 14,000 students from 273 schools on the platform in Q1 of FY2020 (90 percent had used INSPIRE in FY19); and in Sept., ASME held the first of three "See What You Can Be" (SWYCB) workshops for high school girls of color at MI State University, with 17 high school students and nine undergraduate mentors participating.
- ▣ Public Affairs & Outreach (PAO) Sector/Council: Since Annual Meeting 2019, PAO has been convening teleconferences focused on analyzing the field of clean energy and the above units, with speakers from ASME, the National Renewable Energy Laboratory, and GE Renewable Energy.

Upcoming Activities/What's on the Horizon?

- Committee on Engineering Education (CEE): Convening the joint int'l mechanical engineering education conference in Shanghai with the Chinese Mechanical Engineering Society (CMES) at the end of October; and planning underway for the ASME Mechanical Engineering Education (MEED) Leadership Summit in San Juan, PR in April 2020 and a conference on Women in ME in DC in September 2020.

- ☐ CGR: Government Relations will continue its outreach on Capitol Hill, including congressional briefings, and start to plan the 17th annual National Engineering Public Policy Symposium in April 2020.
- DISC: DISC representatives will present the proposed D&I vision-for-success to the BOG at IMECE; and DISC intends to select a committee member to serve as a liaison to each Council to help connect DISC's work with the larger organization.
- ☐ EGD: ISHOW 2020 applications will open in December 2019 and E4C Research Fellowship 2020 applications will open during the winter of 2020.
- ☐ IAB: The IAB spring 2020 meeting is slated to be held in mid-April in Pensacola, FL where GE Renewable Energy has offered to host.
- ☐ K-12 STEM: An ASME INSPIRE school assembly is scheduled for November 11, 2019, in conjunction with IMECE, with hands-on activities for approx. 100 INSPIRE students; and additional SWYCB workshops to be held in November 2019 at the University of DC and April 2020 in conjunction with E-Fest North.
- ☐ PAO: At IMECE 2019, PAO will continue to solicit internal/external expertise for its analysis of clean energy and convene a generative conversation of challenges and opportunities for ASME.

SECD SECTOR – CALLIE TOURIGNY/ANAND SETHUPATHY

Key Highlights

Student Programming Committee (SPC):

- ☐ ASME IAM3D (Innovative Additive Manufacturing 3D) Challenge for 2020 Competition on Unmanned Aerial Racing Cargo Vehicle (UARCV) has its [rules and requirements](#) posted for student teams.
- ☐ Human Powered Vehicle Challenge (HPVC) site has been updated and includes 2020 dates; ASME HPVC Racing Forum along with Q&A Forum are active with much correspondence, including students from institution that does not yet have an ASME chapter and are interested in the competition.
- Student Design Competition (SDC) Challenge for 2020 "Building to the Sky" has released the design problem description and rules on the website. 2019 SDC Challenge Finals to be held at IMECE.
- Designed a new "Elevator Pitch" to create interest in a project, idea, or product that showcase the importance of persuasive speech and oral communication and will be held at each 2020 ASME E-Fest.
- SPC gathering information on certifications to/for students, perhaps paving the way for a partnership with ASME's Learning & Development division; collecting ideas on ways to attract students to share with Membership.

- ☐ Student program content for their success to include leadership skills development, ASME technical division awareness kit, personal development along with menu of activities options to choose from.
- ☐ Student Section Enterprise Committee (SSEC) which consists of Student Regional Chairs (SRC) & Advisors (RA) updated Student Section Manuals with SPC and SECD members and was transferred to Group Engagement Committee (GEC)/Members Development & Engagement (MDE) due to student section relevance and staff support. Connection between SECD and MDE will be maintained.
- ☐ SECD ECLIPSE Intern Dr. Columbia Mishra working on an individual project focused on offerings for graduate students.

ASME EFests Steering Committee (EFSC) – EFests/EFx events:

- ☐ Launched the [FY20 series of ASME E-Fests](#) with E-Fest South America in Peru with 366 participants. E-Fest Asia Pacific Feb 28-Mar 1, 2020 in Rajkot, India (Marwadi University); E-Fest North Apr 3-5, 2020 in East Lansing, MI (Michigan State University) and E-Fest South Apr 24-26, 2020 in Perry, GA (GA National Fairgrounds & Agricenter) are all planned, contracted and online with competitions information released.
- ☐ 17 EFx Events which are 1-2 day events planned so far in FY20, with more than 3000 participants for 13 events completed to date. Successful events include first-timer Notre Dame University in Lebanon along with nine universities in India. 7 more EFx events are pending or under contract, with inquiries still underway from others.
- ☐ Program sessions at ASME E-Fests have included with ASME-focused sessions (sectors, operations, benefits, student sections); remaining engaged with ASME; Early Career Meet-ups on practical career and professional development along with networking with professional engineers; ASME Standards & Certification (B31 and Section VIII); 3D Printing/Additive Manufacturing; Internet of Things; Engineering Education; Industry 4.0; Robotics; State of Electric Car Industry; Emotional Intelligence; Leadership/Career Development; Energy; Sustainable Development; Impromptu competitions focused on Strategic Technologies and team building/leadership; Women in Engineering, Resume & Job Interview Tips/Best Practices; Developing a Business Plan; Bio-Inspired Design Thinking Workshop; Lab Tours; and much more.

Early Career Engineer Programming Committee (ECEPC), also branded as ASME FutureME:

- ☐ Conducted graduation packet pilot in conjunction with Membership & Section Support to facilitate student-to-early-career membership conversion.
- Published two issues of ME Today (July & September 2019); new responsive template released; nine (9) [video clips](#) released (July – September) of 100 total; ECEs interviewed on their careers and ASME at the 2019 Annual Meeting.

- Planned, executed, and made available online a webinar on “An Introduction to the Early Career Engineer Programming Committee (ECEPC) Teams and Member Roles,” with 21 attendees.
- ☐ Core Team of volunteers collaborating on Career Engagement Center (CEC) project; drafted project charter; collectively reviewing research reports, and providing guidelines to contractor hired (beginning after IMECE) to organize project software & wireframe development tools.
- ☐ Awarded FutureME Program Grants to the Singapore, Boston, and Metro Detroit Sections in collaboration with the Old Guard Committee so local professional sections can build relationships with ECEs.
- ☐ Created and printed in collaboration with the ECLIPSE (FY19 class) an Employer Benefits flyer.
- Plans for distribution of materials at IMECE: Thank you letters for attendees to bring back to their supervisor highlighting the benefits of attendance; Employer Flyer that shares benefits of young engineers’ active ASME participation; Feedback Survey.

Overall SECD

- ☐ Member-at-Large (MAL) slots filled on Council, on ECEPC, and on EFSC; and volunteer members added to SPC and competition committees. SECD MAL Jennifer Cooper presented the communication process to be used to help break down silo vision of activities at September Council Meeting, usage is tested for Oct Council Meeting. Pending BOG approval SECD MAL Nicole Dyess will be the SECD-to-MDE liaison along with supporting SPC. SECD MAL Justin Young has been ECE focused, providing guidance to CEC team.
- ☐ Strategy on graduate/PhD students offering with presence at technical conference to capture pipeline to Division and Society, to be combined with SECD ECLIPSE final proposal. FY21 budgetary planning required.

Chris Wlezien, recently past HPVC Global Chief Judge, was awarded the Dedicated Service Award in October for his 10+ years of service to ASME and the Human Powered Vehicle Competition (HPVC) via the Student Programming Committee

Upcoming Activities/What’s on the Horizon?

- ☐ IMECE Activities in addition to Council, Committee, and subcommittee meetings:
 - Student Leadership Training Conference 2019 – Fri & Sat, Nov 8-9th
 - Student Design Competition Finals – Saturday, Nov 9th
 - FutureME Minitalk & FutureME Social Meetup – Monday, Nov 11th
 - School visit in conjunction with INSPIRE and Precollege education
 - FutureME Popup booth at registration with “thank you” letter for employers and flyer on other employer support strategies (based on 2018-19 ECLIPSE project)

- Video profile of Early Career Engineer and SECD ECLIPSE Intern Dr. Columbia Mishra to be featured in fundraising Philanthropic Impact efforts for the ASME Foundation on Sunday, November 10th.
- November 1st webinar “10 Lessons for Building a Strong Foundation for a Successful Career”

GROUP ENGAGEMENT COMMITTEE - JOHN MULVIHILL/TIM GRAVES

Key Highlights:

- ☐ The GEC Council, Regional Leaders and Staff support have conducted Monthly Coordination Meetings to review and approve activities and to prepare for implementation of the MDE Sector.
- ☐ The GEC Team has established monthly teleconferences for Section Leaders in the 5 North American Regions. Each call has had 15 to 20 leaders joining the session. Leaders were provided an orientation for the year, updates on staffing and support, tools and resources, key events/milestones for the year and what to expect for 2020. Immediately following, over 250 leaders visited the portal to download the presentations provided during the calls.
- ☐ A similar monthly teleconference for International Section Leaders in the 4 International Regions is being established.
- ☐ A post-teleconference survey was sent to all volunteers to gain feedback and collect ideas for future calls.
- ☐ The Student Section Handbook has been updated and incorporated along with the Student Section Activity Funding Program information on the new Student Opportunities and Resources page.
- ☐ The Student Section Report was finalized and sent out to student section leaders for feedback.
- ☐ The GEC Council approved the revised Section and Student funding programs and posted the program for use during the current year.
- ☐ The GEC Council is accepting applications for the Senior Vice President position. A Selection is anticipated at the IMECE Meeting.
- ☐ The GEC approved new rules for Consolidated Bank Accounts for North American Sections.
 - The GEC Council and Staff have been coordinating with the other Sectors and developing the GLDC Agenda for the upcoming conference on February 28 – March 1, 2020.
- ☐ Mobile card readers were rolled out to U.S. Sections as of 10/1. Mobile Readers allow on-site credit card transactions for participation/registration fees for Local Section events and activities. ASME will incur the cost of the readers as well as all transaction fees to ensure that every section is able to participate in this new opportunity. As of 10/10, we have 8 Sections requesting a reader.
- ☐ A campaign was launched among staff and regional leaders to encourage all active members to update their preferences in the system.

- ☐ Sixty-five Professional Sections and 796 Student Sections were contacted to request updated leadership information. Records were updated through outreach to identify active/inactive current Professional Sections.
 - Total active Sections, Subsections & Tech Chapters – 144
 - Total inactive – 44
- ☐ The new Director, Section Support, joined the Houston office.
- ☐ Ty Booker and Evelyn Taylor participated in the VOLT planning meeting to explore future collaborative opportunities.
- ☐ Multiple candidates were interviewed for the 3 Staff Coordinator positions and offers will be made shortly.
- ☐ ASME Section and Student Section Staff, while working with the event staff and conference volunteers, has produced over 450 certificates and awards for seven Division conferences and other activities.
- ☐ Staff has been traveling and has met face to face with leaders from with 6 Sections thus far

Upcoming Activities/What's on the Horizon?

- ☐ The GEC Council will present proposed MDE Sector By-Laws, Structure and Operations Guide to the Board at IMECE.
- The annual GLDC will be held in Las Vegas, NV from February 28 – March 1, 2020
- ☐ Election for the new SVP MDE Sector will be conducted at the GEC Meeting at IMECE.
- ☐ Three new coordinators will be hired to complete the staff team of the new MDE Sector.
- ☐ The GEC Team and Staff support will continue outreach with Professional and Student sections by face to face meetings, email campaigns and telecom training opportunities.
- ☐ The GEC will be working to establish guidelines for the Student Section support committees
- ☐ The GEC will develop a standard presentation to be used when meeting with Professional sections
- ☐ The GEC Eclipse Intern is developing a needs assessment and module plan for on-line training programs for Professional and Student sections.
- The GEC will meet on November 11, 2019 at IMECE.

VOLT ACADEMY – HOWARD BERKOF/CLARE BRUFF

Key Highlights:

- ☐ The **VOLT Academy Executive Committee Planning Meeting** was held September 6-8 in Washington, DC. The committee proposed a new structure and expanded program of work. The committee also met via teleconference on October 14 to continue these discussions and prepare for IMECE. Details of the structure and program of work will be shared when they are finalized.

- ☐ The application for the **2019-2020 ECLIPSE Intern Program** has been posted online. Marketing emails began in October and will continue through December, along with other outreach efforts. The deadline for applications to be received is January 6, 2020.

Upcoming Activities/What's on the Horizon?

- The VOLT Academy will hold a workshop on November 9 at IMECE for all volunteers entitled, **"Your Next Volunteer Position: Navigating Your ASME Volunteer Pathway."** This workshop will be facilitated by Allison Case from the VOLT Executive Committee and the presenters are Mary Lynn Realff and Karen Ohland.
- ☐ The **VOLT Academy Executive Committee** will meet at IMECE on Monday, November 10. At this meeting, the committee will finalize its new organizational structure and start work on programs to be offered in the second half of the year.
- ☐ The VOLT Academy will be supporting the **Group Leadership Development Conference**, which will be February 28-March 1, 2020 in Las Vegas, NV. VOLT is assisting in the development of plenary and break-out sessions. Additionally, VOLT is exploring holding the New Chair Orientation and Training in conjunction with the conference as a third track, alongside the Section and Division leader tracks.
- ☐ The VOLT Academy has been asked to develop a communications training workshop for a joint event sponsored by the **Petroleum Division and South Texas Section** scheduled for February 2020.
- ☐ An **ECLIPSE Orientation and Leadership Workshop** is planned for April 2020, to include current interns and the new intern cohort.
- ☐ The **Cross-Sector Leadership Development Workshop** is planned for April 2020. VOLT will collaborate with Sector and Society leadership to identify candidates to participate in the 2020 event.

TEC SECTOR – GEORGE PAPADOPOULOS/TIM GRAVES

Key Highlights

- ☐ Hosted 9 conferences in FY20 Q1 with more than 4,400 attendees with 3,400+ papers and presentations, including several new activities within the strategic technologies.
- ☐ Added to the staffing of the Sector with the promotion of Angelique Vesey to the role of Director of Segment Operations, the hiring of Segment Senior Managers each of our five Segments, and the addition of a Segments Coordinator in support of the Director/Managers.
- ☐ Participated in the BoG telephonic meeting of September 25 where direction was provided on the Board-directed realignment of April 2019.

- ☐ Confirmed all appointments to the Nominating Council as experienced and long-time ASME members and volunteers.
- ☐ Working across the SMC, the Sectors have been working on a program for better inclusion of Early Career Engineers in all aspects of the organization.

Upcoming Activities/What's on the Horizon?

- ☐ Board of Governors meeting on November 10th to discuss the TEC Sector realignment, bringing Divisions under the Segments and solidifying their reporting relationship, all the way up to the Board of Governors.
- ☐ TEC Sector Council meeting on November 11th at IMECE to discuss the results of the Board of Governors meeting, the TEC Development funds results and applications, Strategic Technology elements within TEC, etc.
- Group Leadership Development Conference February 28 – March 1 in Las Vegas, NV for the dissemination of organizational updates and processes and to gather feedback from volunteer leaders.



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	October 8, 2019
BOG Meeting Date:	November 10, 2019
To:	Board of Governors
From:	William Garofalo, Chief Financial Officer
Presented by:	William Garofalo
Agenda Title:	Fiscal Year 2020 First Quarter Financial Update

Agenda Item Executive Summary:

Fiscal Year 2020 First Quarter Financial Results

Proposed motion for BOG Action:

None

Attachment(s):

Financial Presentation

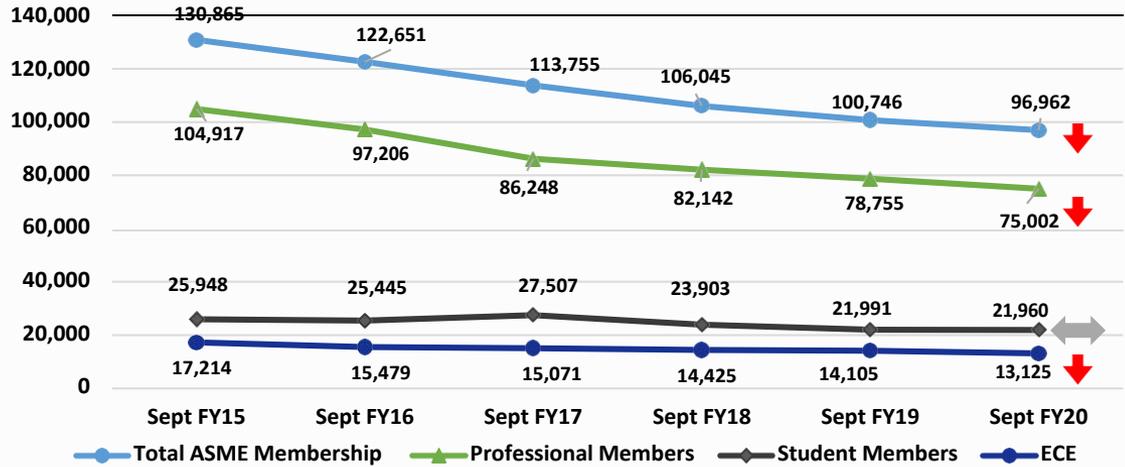
ASME FY 2020 September YTD Financial Report

September 2019 Executive Dashboard

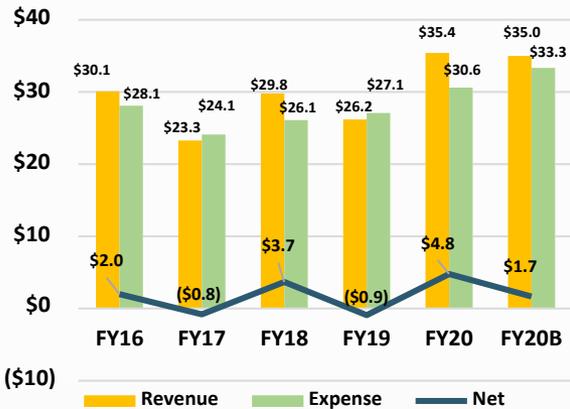
Status 1-Year Operating Goals



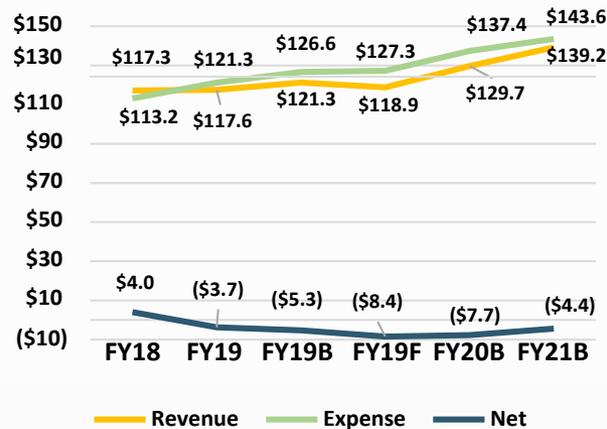
5-Year Active Membership Comparison



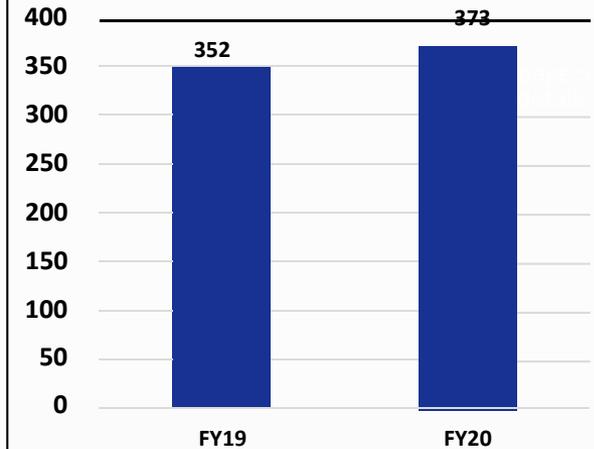
September YTD Financials (\$ in millions)



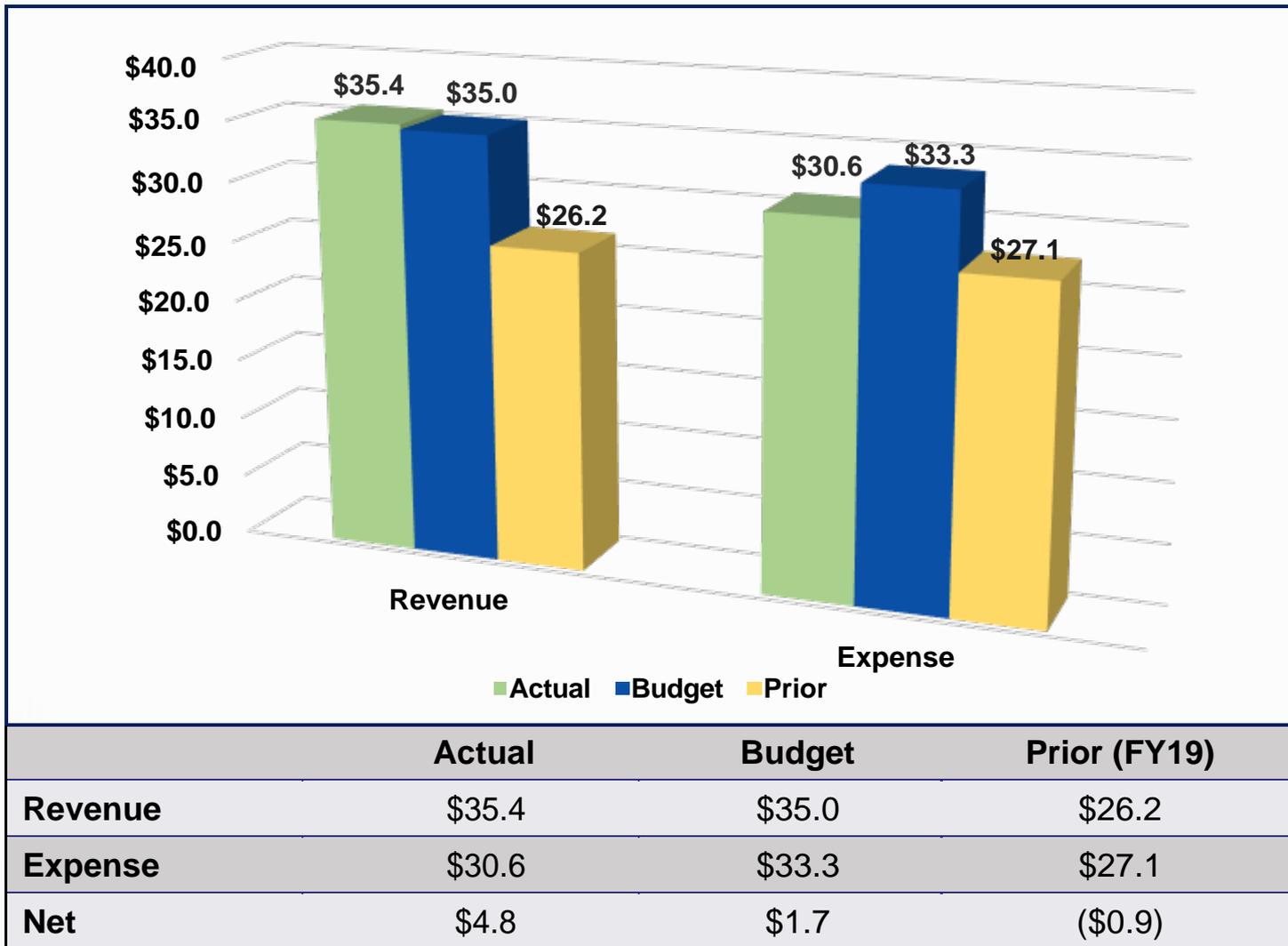
Full Year Financials (\$ in millions)



September Headcount Comparison



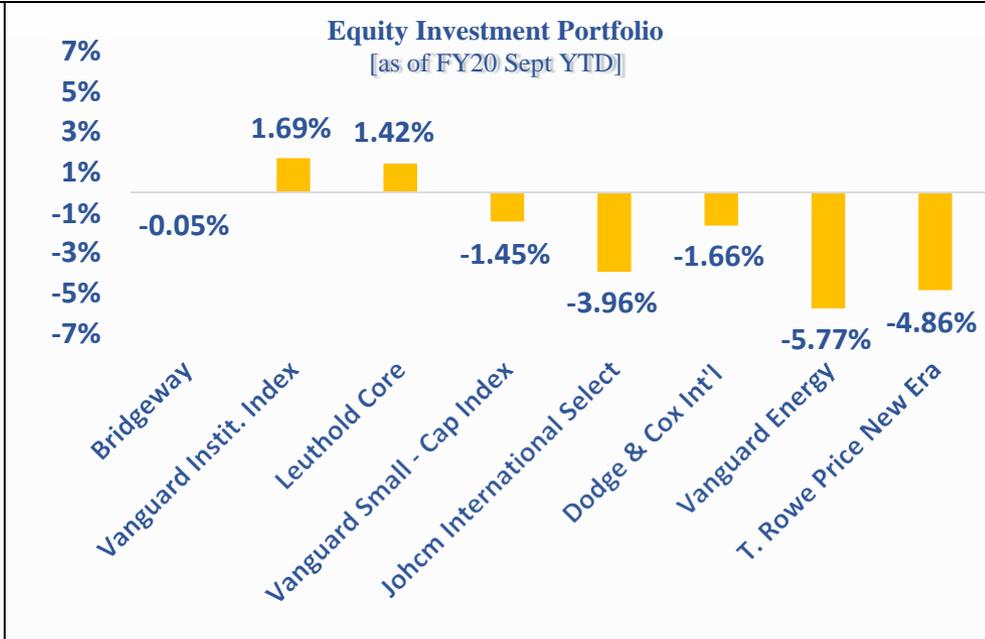
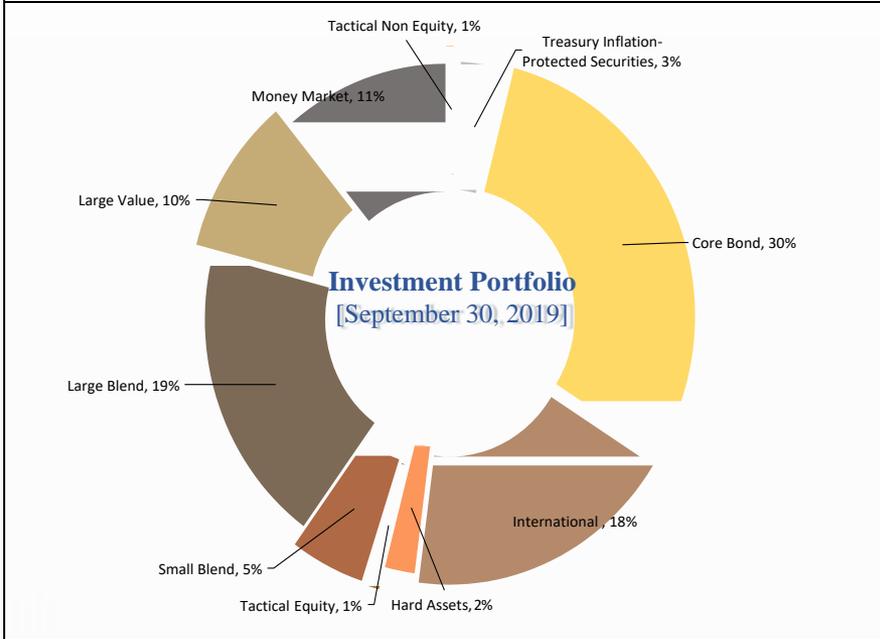
ASME FY20 September YTD Financial Results – vs. Budget & Prior (FY19)



ASME Statements of Financial Position

	September 30, 2019	June 30, 2019
Assets	FY 2020 Total	FY 2019 Total
Cash and cash equivalents	\$ 9,352,418	\$ 5,862,295
Accounts receivable, less allowance for doubtful accounts of \$298,000 in 2020 and \$298,000 in 2019	20,737,921	14,323,028
Inventories	261,811	612,815
Prepaid expenses, deferred charges, and deposits	4,513,781	2,985,468
Investments	118,893,176	118,448,138
Property, furniture, equipment, and leasehold improvements, net	—	—
	22,627,984	22,226,008
Total assets	\$ 176,387,091	\$ 164,457,752
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 9,213,985	\$ 13,128,001
Due to The ASME Foundation, Inc.	217,200	442,504
Accrued employee benefits	12,781,228	11,626,989
Deferred publications revenue	9,288,329	114,840
Deferred dues revenue	6,749,177	2,499,015
Accreditation and other deferred revenue	20,023,895	22,939,447
Deferred rent	9,356,914	9,610,019
Total liabilities	67,630,728	60,360,815
Commitments		
Net assets:		
Without donor restrictions	108,359,317	103,647,496
With donor restrictions	397,046	449,441
Total net assets	108,756,363	104,096,937
Total liabilities and net assets	\$ 176,387,091	\$ 164,457,752

ASME Investment Returns



ASME FY20 September YTD Financial Results – vs. Budget

Agenda Appendix 4.2

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	Actual			Budget			Actual vs Budget		
	Revenue	Expense	Net	Revenue	Expense	Net	Revenue	Expense	Net
Products, Programs & Services									
Standards	\$17,457	\$3,162	\$14,295	\$16,538	\$4,097	\$12,441	\$920	\$935	\$1,854
CA & Process Mgmt	6,864	3,695	3,169	6,712	3,885	2,827	152	190	342
Publishing	3,604	2,079	1,525	4,033	2,206	1,827	(429)	127	(302)
Learning & Development	1,203	1,537	(334)	964	1,650	(686)	238	113	352
Technical Events	3,102	2,552	550	3,533	4,099	(566)	(431)	1,547	1,116
Industry Events & TABD	59	780	(721)	34	709	(675)	25	(71)	(46)
Constituent Engagement	2,995	1,265	1,730	2,997	1,426	1,571	(3)	161	159
Programs	10	818	(809)	253	1,476	(1,223)	(243)	657	414
Products, Programs & Services Subtotal	\$35,293	\$15,890	\$19,403	\$35,064	\$19,548	\$15,516	\$229	\$3,658	\$3,888
Operating									
Marketing Services	\$0	\$1,956	(\$1,956)	\$0	\$1,648	(\$1,648)	\$0	(\$308)	(\$308)
Public Information	0	326	(326)	0	363	(363)	0	37	37
ASME.org	0	739	(739)	0	698	(698)	0	(41)	(41)
Sales & Customer Care	0	498	(498)	0	720	(720)	0	221	221
Philanthropy	0	284	(284)	0	466	(466)	0	182	182
Global Public Affairs	(2)	807	(809)	0	1,064	(1,064)	(2)	257	255
Human Resources	0	1,381	(1,381)	0	1,121	(1,121)	0	(261)	(261)
Facilities	0	2,479	(2,479)	0	2,516	(2,516)	0	37	37
Technology Services Group	0	2,616	(2,616)	0	2,293	(2,293)	0	(324)	(324)
Finance	0	1,549	(1,549)	0	1,559	(1,559)	0	10	10
Executive Office	1	1,458	(1,457)	0	1,382	(1,382)	1	(76)	(75)
Global Alliance & Board Ops	0	299	(299)	0	189	(189)	0	(110)	(110)
Governance	(1)	244	(245)	0	259	(259)	(1)	15	14
Miscellaneous	125	89	36	0	(497)	497	125	(586)	(461)
Operating Subtotal	\$122	\$14,726	(\$14,604)	\$0	\$13,781	(\$13,781)	\$122	(\$945)	(\$822)
Total Operating Surplus / (Deficit)	\$35,415	\$30,616	\$4,800	\$35,064	\$33,330	\$1,734	\$351	\$2,714	\$3,065

