



# **PGA**

Carolinas Section

# **2022 - 2023 Leadership Guidelines**

**Updated January 18, 2023**

## Mission Statement of the Carolinas PGA Section

The purpose of the Section shall be to promote the enjoyment and involvement in the game of golf within the Section and to contribute to its growth by providing services to golf professionals and the golf industry within the Section.

The Section will accomplish this purpose by enhancing the skills of its professionals and the opportunities for amateurs, manufacturers, employees, and the general public within the Section.

In so doing, the Section will elevate the standards of the professional golfers' vocation, enhance the economic well-being of the individual member, stimulate interest in the game of golf, and promote the overall vitality of the game within the Section.

### CPGA DECISION MAKING MATRIX

Carolinas PGA  
Officers vs. Board vs. Committee vs. Staff Decision Chart

Area/Department	Officers	Board	Executive Director	Department Heads/Staff	Committees
<b>Long Term &amp; Strategic Goals</b>	Same as Board	Develops in conjunction with mission statement at Planning Session	Provides input	Provides input	Provides input
<b>Short Term Goals</b>	Same as Board	Monitors	Establishes and executes	Receives direction from Executive Director	
<b>Day-to-Day Operations</b>	Same as Board	No Role	Makes all management decisions	Manages department	No role
<b>Budget</b>	Same as Board	Approves	Recommends budget to Board	Prepares with Executive Director	Make recommendations
<b>Capital Purchases</b>	Same as Board	Approves	Prioritizes requests for Board Approval	Prepares request	Make recommendations
<b>Decisions on Office Location and Set-Up</b>	Same as Board	Makes decisions that are based on mission and vision statements	Provides input and if authorized, signs and executes contracts	Provides input	No role
<b>Supply Purchases</b>	Same as Board	Sets policy/approves budget	Reviews and approves	Purchases according to policy and budget	No role
<b>Hiring Staff</b>	Hires Executive Director only	Approves E.D. hiring process only	Approves all hiring	Interviews direct reports	No role
<b>Staff Deployment and Assignment</b>	Same as Board	No role	Establishes and executes	Receives direction from Executive Director	No role
<b>Personnel Policies</b>	Same as Board	Adopts policy	Recommends and administers	Follows policies	No role
<b>Staff Salaries</b>	Approves Executive Director contract	Allocates line item for budget	Approves salaries and recommendations from management staff	Makes recommendation to Executive Director	No role
<b>Staff Evaluations</b>	Evaluates only the Executive Director	May provide input for Executive Director evaluation only	Evaluates all department managers/direct reports	Evaluates all direct reports (if existing)	No role
<b>All Committee Activity</b>	Same as Board	Approves (major/financial decisions only)	Works with Board to develop strategy and implements	Makes recommendations and carries out strategy	Makes recommendations

## Board of Directors Standards

- ◆ Attend each Board meeting. Failure to attend two (2) consecutive meetings *without due reason* may result in removal from the Board.
- ◆ Board members are elected volunteers to focus on overall needs and interests of the members. Primary function is to determine Section policy and make long-range plans.
- ◆ Board Members are encouraged to ask frequent questions, but implementation of plans and programs is up to Executive Director and staff.
- ◆ Carolinas PGA is a non-profit, service organization, and the Board should focus on member benefits and services. Section finances are to be handled with the utmost of care, and the Board will serve as fiduciaries to manage and protect the assets of the Association.
- ◆ Board members must vote conscience but support consensus. Directors must be team players supporting fellow Directors and staff.
- ◆ Some information reviewed at Carolinas PGA Board meetings is privileged information. Board members must maintain confidentiality where applicable.
- ◆ Board Members will be required to read and understand the Carolinas PGA Confidentiality Policy and Conflict of Interest Agreement annually.
- ◆ Read all correspondence and email from the Section office carefully and promptly. **Email should be checked daily and appropriately responded to.**

## Chapter Directors Standards

In addition to Board Standards, Chapter Directors should do the following:

- ◆ Appoint Chapter Chairs for Tournament, Education and REACH Carolinas Committees
- ◆ Hold a minimum of two (2) Chapter membership meeting annually (Spring & Fall)
  - ◆ One meeting will hold an election for Chapter Director (when applicable) for the next year.
  - ◆ Coordinate the meeting dates with the CPGA office.
  - ◆ Offer a minimum of one (1) “career specific” education opportunity (1 PDR) hour with the meeting.

- ◆ Include an 18-hole Chapter Championship with the spring meeting and a 9-hole Chapter golf event with the fall meetings.
- ◆ The Chapter Director and their Committee Chairs (Education, PGA REACH & Tournament) will determine the core meeting agenda items and will develop a template for each meeting. The majority of the meeting will be conducted as a town hall. The template will include the following updates:
  - ◆ Chapter
  - ◆ Section
  - ◆ National
  - ◆ Open Forum
- ◆ Hold the meeting in the location that will maximize attendance. Rotate meeting locations when applicable.
- ◆ Compose a quarterly “Chapter Update,” with assistance from the Section Director of Marketing, to be emailed to Chapter professionals. These updates will report on Chapter activities and provide a brief synopsis of upcoming Chapter/Section events and any information to be shared from recent board meetings.
- ◆ Report noteworthy activities from respective Chapter to the Board of Directors at each Board meeting.
- ◆ Develop contacts and news outlets to increase publicity for Chapter professionals and work closely with the CPGA Director of Marketing.
- ◆ Coordinate at least three (3) playing/education opportunities within the respective Chapter. Opportunities are typically best attended out of season. The Tournament Committee requests that each Chapter conduct a Chapter Championship, chapter match play and a team event.
- ◆ Enlist other Chapter professionals to assist you via additional Chapter chairpersons or committees.

*Note: At least one CPGA Staff Member will attend the spring “annual” Chapter meeting in order to assist the Chapter Director with providing timely information that affects the CPGA professional.*

# **The Ten Commandments of Effective Board Leadership**

1. Focus on the Big Picture and think long term
2. The Board speaks with only one voice
3. Focus on the ends, not the means
4. Stay focused on the Mission of the Section and the needs of the members
5. Lead your fellow leaders
6. The Board has only one staff member
7. Promote the Section and PGA in all your actions
8. Know the Section's governing documents
9. Carefully consider what you do and say
10. Do your homework

## **One**

### **Focus on the Big Picture and Think Long Term**

- ❖ Think long term. The Board should be focused on the upcoming 2-3 years.
- ❖ Focus on the whole and not the parts.
- ❖ Guide deliberation toward the big questions.
- ❖ Address yourself to the major issues and problems facing the Section. Do not concern yourself with administrative details better assigned to others.
- ❖ Demand daring. Don't waste time on the trivial. Focus on bigness; we have no time for smallness.

## **Two**

### **The Board Speaks with Only One Voice**

- ❖ Debate is good and healthy. Diversity of opinion is not to be avoided but elicited. Once the Board makes a decision, however, all members have to support consensus.

- ❖ Well-informed, constructive criticism is essential to the operation of a healthy Board. Present your personal views in the confines of the Boardroom, not to your constituents.

### **Three**

#### **Focus on the Ends, Not the Means**

- ❖ Be responsive for creating the future.
- ❖ Govern the Section; don't try to manage it.
- ❖ Be focused on the ends; let staff handle the means.
- ❖ The Board resolves governance issues; the Executive Director resolves management issues.
- ❖ Except for a few unique functions of the Board, staff performs almost all organizational activities.
- ❖ Share authority with others on the Board and delegate to Executive Director.

### **Four**

#### **Stay Focused on the Mission of the Section and the Needs of the Members**

- ❖ The Section is a non-profit service organization. We cannot distribute our surplus to our members. We are here to provide services to our members, not a profit. Stay focused on the services we provide while maintaining fiscal responsibility.
- ❖ Devote unwavering attention to greater quality, not to more stringent cost control.
- ❖ It is your responsibility to determine what your constituents need and want and to bring these needs to the attention of the Board.
- ❖ Even if elected by a specific segment of the Section membership, as a Board member, you are responsible for considering the needs of the membership at large.

### **Five**

## **Lead Your Fellow Leaders**

- ❖ Trust your fellow Directors and the decisions they make.
- ❖ Pass power to the Executive Director, who needs to be creative and assertive within parameters set by the Board.
- ❖ Leaders try, and often times, fail. Leaders should not remain in the same old ruts.
- ❖ To make a mistake is okay! Emphasizing the avoidance of errors rather than the creation of breakthroughs makes not leaders but followers.

## **Six**

### **The Board Has Only One Staff Member**

- ❖ The Board has only one employee. The Executive Director has the staff.
- ❖ Ask the Executive Director questions. He works with Section problems and issues every day and can offer information, suggestions, and advice.
- ❖ The Executive Director is the Board's bridge to the staff. The Board has no official connection with staff members except at the Executive Director's discretion. If you have a specific request of staff, each request should go through the Executive Director.

## **Seven**

### **Promote the Section and PGA in All Your Actions**

- ❖ You are donating time to an organization you believe in; therefore, you are believable to your fellow members.
- ❖ Strive to build a stronger Section that reflects current and future needs of the members and industry.
- ❖ Enhance relationships with influential leaders in your community who can support the Section, its programs, and members.
- ❖ Make all efforts constructive.
- ❖ Always sign any correspondence “, PGA.” You've worked hard to earn that right!

- ❖ Refer to fellow PGA Professionals as “PGA Professionals.” Never call them golf professionals or golf pros.

## **Eight**

### **Know the Section’s Governing Documents**

These documents chart the Section’s operation and spell out what we can and cannot do. Know them well.

- ❖ Mission Statement
- ❖ PGA of America Constitution, Bylaws, and Regulations
- ❖ Carolinas Section Constitution, Bylaws, and Regulations
- ❖ Carolinas PGA Tournament Rules and Regulations
- ❖ Business Planning Session – Objectives/Strategies/Tactics
- ❖ Financial Statements and Budget
- ❖ Policies and Procedures
- ❖ Board Meeting Minutes

As a Director, you can help change these rules and regulations if they need changing. But, until a rule or regulation is changed through formal procedures, the Section must adhere to them.

## **Nine**

### **Carefully Consider What You Do and Say**

- ❖ You are closer than your fellow members to the operation of the Section. When you make statements about the Section, members will tend to believe you. They will accept your statements as official policy.
- ❖ Behave prudently in your role as a Director.
- ❖ You are not a spokesperson for the Section. **This responsibility is assigned to the President and Executive Director, *ONLY*.**



- ❖ Do not take a public position on any Section issue without the approval of the President and/or Board.
- ❖ Members of the Board can be held individually or collectively liable for actions taken. (The Section has Directors and Officers Liability Insurance.)

## Ten

### **Do Your Homework**

- ❖ To be effective, you must be well informed.
- ❖ Read all correspondence and email from the Section office carefully and promptly. *Email should be checked daily and appropriately responded to.*
- ❖ Study issues and details relevant to the subjects about which you must make a decision.
- ❖ Ask questions if in doubt.
- ❖ Attend all meetings.
- ❖ Read the *On the Fringe (weekly electronic newsletter)* and study the **carolinas.pga.com** and **PGA.org** websites for important information.

## Summary

The responsibility of the Board, as outlined by the National Center for Non-Profit Boards, is as follows: “Boards and board members begin to reach their optimal levels of performance when they exercise their responsibilities primarily by asking good and timely questions rather than by running programs or implementing their own policies.”

The Directors’ roles are as representatives, policy makers, overseers, planners, and supporters, with a primary interest in the satisfaction of the members. Directors should **represent the members and not any one small faction or their own personal self-interests.**

# General Standards of Conduct for Directors of Non-Profit Corporations

1. A business corporation operates to maximize profits and to economically benefit shareholders. The object of mutual benefit corporations such as the Carolinas Section of the PGA is to provide benefits to and services for members, not to maximize profits. Due to the different nature and objectives of non-profit corporations, directors of mutual benefit non-profit corporations must understand the difference in the objectives of a non-profit mutual benefit corporation as to a business corporation.
2. **Duty of Care** - The duty of care requires that a director in discharging his or her duties act with the care of an ordinarily prudent person in a like position under similar circumstances. This allows directors of non-profit corporations to exercise their judgment with due regard to the nature, operations, finances, and objectives of their organizations. The “ordinarily prudent person” concept in the context of non-profit corporations applies to directors who balance potential risks and rewards in exercising their duties as directors. It is intended to protect directors who innovate and take informed risk to carry out the corporate goals and objectives. The directors need not be right, but they must act with common sense and informed judgment. The duty of care recognizes that directors are not guarantors of the success of investments, activities, programs, or grants. It allows leeway and discretion in exercising judgment.

Directors must spend enough time on the corporation’s affairs to be reasonably acquainted with matters demanding their attention. Such attention involves attendance at meetings and review and understanding of materials submitted to the Board. It also requires directors to request and receive enough information so that they may carry out their responsibilities as directors.

In appropriate circumstances, the duty of care requires reasonable inquiry. Where a problem exists or a report on its face does not make sense, a director has a duty to inquire into the surrounding facts and circumstances. The inquiry required is the inquiry an ordinarily prudent person in a like position would make under similar circumstances.

3. **Duty of Loyalty** - The general duty of loyalty of directors of non-profit corporations is that directors act in good faith in a manner they reasonably believe is in the best interests of the corporation.
4. **Good Faith** - A pre-condition to a director discharging his or her duties is that the director act in good faith. While this is a subjective requirement, a court will look to objective facts and circumstances to determine whether the good faith requirement is met. A court generally will look to the director’s state of mind to see if it has evidenced honesty and faithfulness to the director’s duties and obligations, or whether there was an intent to take advantage of the corporation.

5. **Reasonable Belief that Action is in the Best Interests of the Corporation** - The requirements that the director act in a manner the director reasonably believes is in the best interests of the corporation is both objective and subjective. It is objective in that the director must reasonably believe the action is in the best interests of the corporation. It is subjective in that the director must, in fact, believe the action is in the best interests of the corporation. As with the good faith requirement, a court is likely to look at objective facts to determine whether a director's state of mind appears unreasonable and whether the director really believed that the action was in the best interests of the corporation.
6. **Director Conflict of Interest**
- a) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair to the corporation at the time it was entered into or is approved as provided later in this document.
  - b) A transaction in which a director of a mutual benefit corporation has a conflict of interest may be approved if:
    - 1) the material facts of the transaction and the director's interest were disclosed or known to the Board of Directors or a committee of the Board and the Board or committee of the Board authorized, approved, or ratified the transaction; or
    - 2) the material facts of the transaction and the director's interest were disclosed or known to the members and they authorized, approved, or ratified the transaction.
  - c) A director of the corporation has an indirect interest in a transaction if:
    - 1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or
    - 2) another entity of which the director, officer, or trustee is a party to the transaction.
  - d) A conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the Board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified by a single director. If a majority of the directors on the Board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section.
  - e) The articles, bylaws, or a resolution of the Board may impose additional requirements on client conflict of interest transactions. In addition, the Section has a Conflict of Interest Policy & Disclosure which each board member must read and acknowledge annually.
7. **Reliance** - So long as a director does not have knowledge that would make reliance unwarranted, a director may rely on information, opinions, reports, and statements prepared and presented by experts, staff, committees composed in whole or part of non-Board

members and committees of the Board. Where, however, a director has a reasonable basis to be suspicious or is, in fact, suspicious, the general duty of care set forth above requires that director to make further inquiry. In addition to the requirement that a director must reason to believe that the material is reliable, the director, must, in fact, rely on the material. In order to rely on a report, a director must have read it, been present at a meeting where it was presented or otherwise have evaluated it.

8. **Delegation** - Directors of a non-profit corporation may delegate authority to officers, employees, or agents of the corporation so long as the affairs of the corporation are managed under the direction of the Board.

## **Carolinas PGA Core Business Functions**

- ❖ Administration
- ❖ Communications / Promotions
- ❖ Education
- ❖ Employment/Career Counseling
- ❖ Finance
- ❖ Governance
- ❖ Growth of the Game
- ❖ Marketing / Sponsors
- ❖ Member Services
- ❖ Tournaments

## **GOVERNANCE**

The Section's Board of Directors is currently comprised of the following:

- President
- Vice President
- Secretary
- Honorary President
- Tournament Chair
- Any Section Member(s) serving on the PGA of America's National Board of Directors
- 2 At-Large Directors (NC & SC)
- 2 Independent (non-PGA) Directors
- 10 Chapter Directors

Chapter I -  
Mountains

(Mountains, Asheville, Spartanburg  
areas)

Chapter VI – Greater (Charlotte area)  
Charlotte

Chapter II - Palmetto	(Columbia area)	Chapter VII – Grand Strand	(Myrtle Beach area)
Chapter III – Lowcountry	(Hilton Head area)	Chapter VIII – Cape Fear	(Wilmington / Lumberton area)
Chapter IV – Piedmont	(Western / Southern NC, Hickory, Greensboro area)	Chapter IX - Triad	(Raleigh / Burlington area)
Chapter V - Sandhills	(Pinehurst area)	Chapter X - Atlantic	(Greenville NC, Outer Banks, Rocky Mount area)

The Section is proud to have as members past PGA Presidents: Roger Warren, Will Mann, and Gary Schaal.

Duties of the Officers and directors are outlined in the Section's Constitution. Officers have a monthly conference call with the Executive Director.

Board meetings traditionally are held three times a year (February – Annual Meeting; June/July – Summer Board Retreat; and October – Board Planning Session). The Board will also have conference calls from time to time as decided by the Executive Committee. Agendas and support papers are sent out prior to the meetings. The Executive Director records the Minutes and sends them to the Secretary for approval. After approval, they are sent to all Board Members, and posted on the “members only” section of the CPGA website in a timely fashion.

The Section Annual Meeting & Merchandise Show is currently held the third week of February at the Greensboro Coliseum Special Events Center. Twenty percent of the eligible voting membership is necessary for a quorum on the day any vote is taken.

The Section has ten (10) chapters. Chapter financial accountability, reporting, administration, and liability coverage are in line with PGA of America guidelines and are part of the overall umbrella of the Carolinas Section office. Member interests are well represented at PGA District 10 Meetings, Regional Meetings, and the PGA of America Annual Meeting.

## **COMMITTEES**

Committees have job descriptions, and some Committees are more active than others. The Chairperson is either appointed by the President or assigned based on an Officer’s position. The Chairperson selects their committee members or they are appointed by their respective chapter director for the following committees: Education, PGA REACH and Tournament. Committee chairs serve a two-year term in conjunction with the current President’s two-year term. Generally, the Committees' objectives are carried out by their staff-appointed liaison.

## **2022 - 2023 Carolinas PGA Committees – Chairpersons**

<b>* Associate Education</b>	Brock White
<b>* Awards/Honors</b>	Jeff Nichols
<b>* Career</b>	Mike Mueller
<b>* Education</b>	Deron Lee
<b>* Ethics (Board of Inquiry)</b>	President Chris Byrd
<b>* Finance / Investment</b>	Vice President Josh Wagaman
<b>* Governance</b>	Honorary President Bob Byrnes
<b>* Hall of Fame</b>	Chip King
<b>* Membership</b>	Secretary Jeff Avant
<b>* Nominating</b>	Honorary President Bob Byrnes
<b>* PGA REACH Carolinas</b>	Vice President Josh Wagaman
<b>* Scholarship</b>	President Chris Byrd
<b>*Teaching, Coaching, &amp; Player Development</b>	Marc Lapointe
<b>* Tournament</b>	Luke Lovell

## **Duties of the Carolinas PGA Section Committees**

### **Associate Education**

The Associate Committee is comprised of five at-large CPGA Professionals and one chairperson. The committee is in place to assist Carolinas PGA registered Associates attain membership in the Association. All levels of the PGA PGM program are discussed and many of the programs offered are in coordination with the four Carolinas Section PGA Golf Management Universities.

### **Awards & Honors**

This Committee, comprised of appointed members of the Board of Directors, as well as all award winners from the previous year, select the recipients of the following Section awards: Golf Professional of the Year, Teacher of the

Year, PGA Professional Development Award (formerly Horton Smith Award), Bill Strausbaugh Award, Youth Player Development Award (formerly Junior Golf Leader), Assistant Golf Professional of the Year, Player Development Award, Patriot Award (started in 2019), Community Impact Award (started in 2020) and Merchandisers of the Year in the Private, Public, and Resort Course categories

### **Career**

The Career Committee is comprised of a diverse group of at-large PGA Professionals. This Committee will work closely with all other CPGA Committees to provide Career-related education and support to the Members and Associates of the Carolinas PGA.

### **Education**

The Education Committee is comprised of eleven PGA Professionals - one Chairperson and a representative from each of the ten Chapters in the Carolinas PGA Section. This team of dedicated Professionals volunteer their time to organize and provide educational opportunities to Carolinas PGA Members. Our priorities are to provide educational engagements at Section meetings and on a local level to assist each Carolinas PGA Member in completing their PDR requirements and furthering their professional development.

### **Ethics (Board of Inquiry)**

This Board of Inquiry shall be comprised of the three (3) Section Officers and the Honorary President. It investigates potential Code of Ethics violations with the Executive Director, and if they feel a hearing is warranted, all information, along with their findings, will be turned over to the National Board of Control for a decision.

### **Finance / Investment**

The Finance / Investment Committee shall be comprised of the three (3) Section Officers and Honorary President. The Section Vice President shall chair the Finance / Investment Committee. This committee will work with the Section Executive Director and Assistant ED on the formulation of budget projections and financial reports to the Board of Directors and Members. The committee will review financial reports as necessary which are issued by Section and PGA HQ accounting staff and assist the Board of Directors in fulfilling its oversight responsibilities as they relate to the financial reporting process and the internal control structure.

### **Governance**

The Honorary President will chair the Governance Committee. They, along with the Executive Director, will work in harmony with other allied associations and lobbyists to keep the Carolinas PGA in a position to be pro-active rather than re-active in dealing with governance and other legislative issues. The committee will also be responsible for the structure of Section and Chapter governance.

### **Hall of Fame**

The Chairperson of the Hall of Fame Committee is appointed by Section President for two-year term. The Chair is a non-voting position. The Chair of the Hall of Fame Committee conducts the election of members using the established guidelines for election and reports his / her findings to the President and Executive Director. Inductions will take place, at maximum, once per year. The committee is tasked to enshrine PGA Professionals into the Carolinas PGA Golf Professional Hall of Fame in recognition for their enduring accomplishments and historically significant contributions to the game of golf, the Section, and/or the PGA of America.

### **Membership**

The Secretary shall chair the Membership Committee. The Secretary is responsible to oversee all membership matters of the Section including but not limited to the approval of Minutes for all Section meetings, reviewing and investigating eligible employment issues, maintaining an accurate roll of Members, maintaining all correspondence and documents belonging to the Section, and processing all Membership-related transactions with the PGA of America. The Chair of the Membership Committee will need to work closely with the Membership Director.

**Nominating**

The Nominating Committee shall be composed of the Chair, normally the Honorary President, to oversee the election process of the candidates for the four (4) elective offices for the Section and District 10 Director (when applicable).

**PGA REACH Carolinas**

The PGA REACH Carolinas Committee is comprised of eleven PGA Professionals - one Chairperson and a representative from each of the ten Chapters in the Carolinas PGA Section. The PGA REACH Carolinas Committee was formed to offer guidance and feedback for the administration of the PGA REACH Carolinas Foundation. The Foundation is committed to serving our communities and growing the game of golf through three pillars: youth, military, and diversity & inclusion.

**Scholarship**

The Scholarship Committee shall be comprised of the three Officers and the Honorary President, in coordination with the Executive Director, and will evaluate applicants for any applicable scholarships and make recommendations when requested.

**Teaching, Coaching, & Player Development**

The Teaching, Coaching, & Player Development committee is made up of a committee chairperson and seven (7) at-large members. The Committee is tasked with coordinating Teaching related education seminars throughout the Section. The seminars include the Section's Annual Winter, Spring, Summer, and Fall Teaching & Coaching Seminars with the assistance of the Executive Director and staff liaison.

**Tournament**

The Tournament Committee is comprised of eleven PGA Professionals - one Chairperson and a representative from each of the ten Chapters in the Carolinas PGA Section. The primary role is to evaluate and improve the CPGA tournament program. The committee assists the Section staff to determine venues, propose changes to the Rules and Regulations, and suggest tournament enhancements. Committee Members serve as the Chapter Tournament Chair and plan at least three (3) chapter tournaments annually.



## Administration

### Current Office Staff:

Executive Director	Jeff Abbot, CPA (2015)
Asst. Executive Director, Operations / Finance	Kurt Battenberg, PGA (2011)
Asst. Executive Director, Tourn. & Business Dev.	Mike Whitenack, PGA (2010)
Director of Operations (created in 2022)	Ben Weeks (2018)
Director of Marketing	Jess Hanson (2021)
Membership Director	Talma Kee (2011)
Tournament Director	Adam McCormick (2021)
Asst. Tournament Director	Patrick O'Reilly (2018)
Tournament Administrator	Brianna Newton (2022)
PGA REACH Coordinator	Mia Hayasaki (2022)

The Section also employs a PGA Works Fellow and has two to three seasonal interns working 3 to 7 months.

### The Section owns:

- 1 office building
- 3 automobiles including 1 Mercedes-Benz Sprinter van and 1 Nissan NV van to carry equipment
- 14+ computers
- 2 network printers
- 1 large format printer
- Portable printers
- 48 two-channel radios
- office equipment, furniture, and fixtures for 12 workstations and conference room

The Section office has a "Employee Reference Guide" which all employees must sign and abide by its rules. The Executive Director hires, trains, supervises, reviews, counsels, reprimands, or dismisses employees as necessary. The Section President formally reviews the Executive Director on an annual basis and approves his / her monthly expense reports.

The Section has umbrella liability coverage through the PGA of America to cover personal injury, libel, slander, and contractual agreements. The Section also has Director and Officers liability insurance to cover its Board of Directors. The Section office and all off-site Section-sanctioned events are covered by liability insurance.

The Executive Director and Asst. Executive Director of Operations and Finance ensures all Section property is well cared for. The Executive Director and Asst. Executive Director for Operations & Finance, in coordination with the PGA Headquarters accounting staff, ensure all property and payroll taxes are paid on a timely basis.

## Finance

The Section remains financially strong with consolidated assets, including the PGA REACH Carolinas Foundation, of approximately \$5 million. *(annual figures will be updated by PGA HQ accounting each March)*

The Section uses a Finance / Investment Committee to ensure proper oversight of Section financial affairs. The PGA of America Section Administrative Accounting program is utilized to administer section accounting. The Section is assigned a staff accountant at PGA HQ and also utilizes PGA HQ accounting staff for tax filings, etc. The Section conducts its financial affairs through the "Carolinas PGA Section", a 501(c)6 non-profit organization chartered in South Carolina, and its "Carolinas PGA Junior Foundation," a 501(c) (3) charitable foundation doing business as "PGA REACH – Carolinas."

Section financial assets are currently invested with Boggs & Company. There are two (2) investment funds (Section & Foundation) governed by a Board-approved Investment Policy Statement (see below for copy). The current investment fund balance is approximately \$2.8 million (Section) and \$480,000 (Foundation).

In addition to the Section's cash assets, the CPGA owns property and equipment with a book value of \$730,000.

Section finances are reviewed monthly with the Section Officers. Financial reports are given to the Board at each meeting and presented electronically to the general membership at the Annual Meeting.

## **Member Services**

The Section has a membership roster of approximately 1,850 Members and 270 Associates (total 2,120) making the Carolinas Section the largest of the 41 Sections (average Section total size is 690) that comprise the PGA of America.

The Section conducts approximately 25-30 Playing Ability Tests each year. The passing rate varies from 20-25%

## **Communications / Promotions**

The Carolinas PGA online e-newsletter *On the Fringe* is distributed weekly on Tuesdays.

The Section administers an app through BlueGolf that includes a roster of all PGA Professionals, facilities, tournaments, partners, and sales representatives.

The Section provides monthly articles to *PGA Magazine*. Information is available to *Golf World*, *Global Golf Post*, and *Golfweek* from AP Wire Services. Press releases on significant Section activities are sent to print and broadcast media in the Carolinas and throughout the country via email distribution. The Section is also on Facebook, Twitter, Instagram, LinkedIn and YouTube.

The Section established a website in 1998. It has been upgraded multiple times and receives regular updates with pertinent information.

The Carolinas PGA has an extensive social media presence on all major platforms. Section functions are promoted heavily through social media.

## **Education**

Numerous hours of education for PGA Professional Development Requirement (PDR formerly MSR) credit are available to Section members and posted on the website. In addition, 10 Fall & 10 Spring Chapter Meetings are held with each offering an educational component.

Seminar information is listed on the Carolinas PGA website. Links to these educational listings are promoted in each weekly e-newsletter.

The Section's largest program, **Carolinas PGA "SUPER SHOW"** includes the Winter Educational Seminar, Awards & Honors Dinner, Merchandise Show, Annual Meeting, Teaching & Coaching Seminar, and multiple informal education sessions. The Section's Merchandise Show remains one of the largest regional golf business shows in the country. In 2022 we utilized 50,000 square feet of exhibit space and set up 183 vendor booths. In 2021, the show was conducted virtually due to COVID.

## **Employment / Club Relations**

The Career Committee is currently chaired by the PGA Career Consultant. In 2023, PGA member Mike Mueller will complete his sixth year as PGA Career Consultant, exclusively serving the Carolinas Section.

## **Corporate Partners**

The Section partners with over 80 corporate entities on an annual basis. Their contributions allow the Section to conduct and enhance its championships, educational events, and overall operations.

## **Tournaments and Junior Golf**

Tournaments are one of the Section's highest priorities. Each year, the Section administers approximately 70+ championships and playing opportunities per year including Section majors, senior events, Assistants Association events, Chapter tournaments, Drive, Chip & Putt qualifiers, junior events, sanctioned pro-ams and other events.

Qualifying revenue for the PGA Tour generated substantial funds with net revenues of approximately \$100,000 per year. We now conduct two pre-qualifiers, instead of one, for the Wells Fargo and Wyndham Championships so as not to turn away interested competitors.

Section staff administers all major events, including course marking, course setup, rulings, staff and volunteer management, media relations, partner relations, etc. Host professionals are responsible for sanctioned pro-am administration, with detailed written guidelines provided by the Section staff.

The Section's "Tournament Rules & Regulations" are updated as needed.

The CPGA Junior Championship has been divided into two separate events – a Boys' and a Girls' championship so we can accommodate as many participants in each group as possible. The Charles Tilghman CPGA Junior Championship has hosts up to 96 competitors.

PGA Junior League Golf, under the PGA REACH Carolinas Foundation, is the Section's largest junior golf program with maximum participation (3,200+) taking place in 2019. Participating in 2022 was 3,034 juniors.

## **PGA REACH Carolinas Foundation**

The PGA REACH Carolinas Foundation was established in 2017 as a 501(c)3 nonprofit organization and the philanthropic arm of the Section committed to serving our communities and growing the game of golf through three pillars:

- i. Youth
  - 1. Drive, Chip, & Putt Qualifiers
  - 2. PGA Junior League
  - 3. Harvick4HighSchool Golf Program
- ii. Military
  - 1. PGA HOPE (Helping Our Patriots Everywhere)
    - a. 17 Chapters
- iii. Diversity & Inclusion
  - 1. Sunny Harris Hutchinson PGA Works Fellowship
  - 2. Women's Championship

3. Prokope Academy (Pinehurst)
4. First Tee, Swing Pals, Big Brothers - Big Sisters, Special Olympics, and other diversity initiatives

The Foundation employs a full time PGA REACH Coordinator and an annual PGA Works Fellow through the Sunny Harris Hutchinson PGA Works Fellowship established in 2018. The Carolinas PGA has completed five Fellowships, and all are currently working in the golf industry.



# PGA

## Carolinas Section

# CHAPTER DIRECTOR MANUAL

## PURPOSE

The purpose of the CPGA Chapter Director Manual is to provide detailed information to the Chapter Director regarding his/her role as a leader of the Carolinas Section of the Professional Golfer's Association of America. The information provided within this manual will help in assuring one's success as a Chapter Director of the CPGA and the involvement of the CPGA member in Chapter meetings and programs.

## **Board of Directors & Chapter Director Standards**

(please review as outlined above in pages 3 & 4)

## **Membership Communication**

The CPGA Board of Directors recognizes that the Chapter Directors are one of the most important communication conduits to the members of the CPGA. It is essential that each Chapter Director provide timely and pertinent information to the PGA professionals within their Chapter.

The President will send communication to each Chapter Director, as well as the entire Board, after each Officer Conference Call. Chapter Directors will also attend all board meetings.

Chapter Directors will compose a quarterly "Chapter Update," with assistance from the Section Director of Marketing, to be emailed to Chapter professionals. These updates will report on any relevant Section updates, Chapter activities, and provide a brief synopsis of upcoming Chapter/Section events and any information to be shared from recent Board meetings.

Chapter Directors are required to be available to receive questions and comments from Chapter professionals by e-mail, phone calls, text messages, etc. Feedback provided by CPGA professionals is to be shared during CPGA Board meetings.

# EDUCATION

**It is important to continue to offer quality educational programs and opportunities within each Chapter. The offering of education within the Chapter will allow the CPGA professional to enhance his/her skills in a cost-effective manner.**

Chapter Directors will work closely with the CPGA Education Committee and the Executive Director in order to provide quality education. Chapter Directors are encouraged to develop educational opportunities for their respective Chapters.

All education programs are to be listed on the Carolinas PGA website.

## PUBLIC RELATIONS

*These guidelines are designed and recommended for Chapter Directors to share and encourage the use of the PGA members and associates in their Chapters. These guidelines are a basic approach in increasing public awareness and recognition of the PGA Professional.*

Chapter Directors are encouraged to work with the Carolinas PGA Director of Marketing to coordinate public relations activities.

The utilization of many media targets is a great method to promote the personal and professional accomplishments of the PGA Professionals in your chapter.

The benefits of publicity include increasing the perceived value of the PGA Professional; additional opportunities for corporate and charitable events; increased potential sponsorship interest; and increased rounds, lessons, and merchandise sales at your facility.

1. Chapter Directors should identify local media targets (daily newspapers, weekly newspapers, city magazines, newsletters, radio stations, TV stations, Internet, etc.).
2. Chapter Directors should develop a list of local media contacts. Consider not just sports and golf “beat” writers, but also business, local and community, lifestyle, and employment sections.
  - ❖ Encourage the Chapter membership that all tournament information be forwarded to these contacts. For bigger events, be sure to notify the contacts in advance your results will be coming.
  - ❖ New hire information
  - ❖ Milestones and accomplishments
  - ❖ Awards and recognitions

All of these topics, and more, need to be communicated to the community. Include public interest and feature stories as well as general news items.

3. Chapter Directors should encourage member participation in recurring opportunities such as newspaper columns and golf tips, radio sports-talk shows, and television golf segments. The CPGA office, through the Membership Director, will provide a full list of Chapter professionals including all contact information on a quarterly basis.

4. In order to promote PGA Professionals within the Chapter, each Chapter Director will encourage communication by Chapter professionals to share information of significant accomplishments, career changes, volunteer services, etc. The Chapter Director will then forward this information to the Section and / or the appropriate media outlet. Chapter Directors should remind fellow professionals of this opportunity in nearly all communications, or at least through the quarterly e-mail.

Chapter Directors should encourage members to take advantage of the PGA logo, use of the letters “PGA” when writing their name, and the history and prominence associated with it. Use of these assets will establish legitimacy and credibility and increase personal recognition.

1. Personify the PGA
2. Wear the logo (letterhead, business cards, signs and displays, apparel)
3. Use the logo at every opportunity. This will help localize the PGA in your area.
4. Anytime a Member signs a letter he/she should always use “, PGA” after his/her name. They have worked hard to earn that right!

Chapter Directors should encourage Chapter members to participate in the abundance of opportunities available to help promote themselves as PGA members.

1. PGA Growth of the Game programs: Drive, Chip & Putt qualifiers, PGA Junior League, Get Golf Ready, Women’s Golf Day, etc. are all important programs to help grow the game.
2. Attend local business and community organization meetings (chamber of commerce, etc)
3. Devote time to charitable and civic programs (teaching underprivileged junior clinics)
4. Volunteer time for golf-oriented possibilities (rules or tournament officials, etc.)

### **COMPLAINT PROCEDURES FOR FINANCIAL, ACCOUNTING, AND AUDIT MATTERS**

The Board of Directors of the Carolinas PGA Section, Inc (the “Section”) is committed to fair, accurate, and transparent accounting of the Section’s financial matters and expects all employees, Officers, Directors, and representatives to act in accordance with the highest ethical standards in the performance of their responsibilities. The Section’s Board of Directors (the “Board”) requires full compliance with all applicable laws and regulations, accounting standards, accounting controls, and audit practices. The Section relies on and expects all employees, Officers, Directors, and representatives of the Section to report suspected or questionable financial, accounting or audit matters without fear of retaliation. The Board has established an Ombudsman Committee, consisting of the President, Vice President, and Secretary to receive and act on complaints, questions, or concerns.

#### **Reporting Complaints, Concerns, or Questionable Financial Practices**

Any person or employee who has complaints or concerns about the Section’s accounting, internal accounting controls, or auditing matters, or who becomes aware of questionable accounting or auditing matters, is strongly encouraged to report such matters to a member of the Ombudsman Committee by contacting him or her at the address shown below. To facilitate a complete investigation, please be prepared to provide as many details as possible, such as a description of the questionable practice or behavior, the names of any persons involved, the

names of possible witnesses, dates, times, and places. The Section encourages all persons with complaints or concerns to come forward with information and prohibits retaliation for raising concerns. However, if someone feels more comfortable doing so, reports may be made anonymously by letter to a member of the Ombudsman Committee.

Supervisors and managers who become aware of any questionable accounting or auditing matters, or who receive complaints or concerns from other employees, must immediately report them to a member of the Ombudsman Committee. Supervisors and managers who receive complaints of questionable accounting or auditing matters must consult with a member of the Ombudsman Committee before undertaking an investigation or other action. The Ombudsman Committee has final responsibility and authority for the investigation and handling of any concerns or complaints relating to accounting and auditing practices. Any supervisor or manager who fails to report allegations of questionable accounting or auditing practices in accordance with this policy or who fails to assist a member of the Ombudsman Committee in investigating fully any such allegations may be subject to disciplinary actions, up to and including termination.

If a member of the Ombudsman Committee is or may be involved in the practice leading to a complaint, concern, or question, the report should identify that member and be delivered to another member of the Ombudsman Committee.

### **Investigation and Response**

The Ombudsman Committee will oversee the receipt and handling of allegations of questionable accounting or auditing matters, including directing an appropriate investigation and response. All Section employees and representatives are strongly encouraged to cooperate freely with any such investigation. Based on its investigation, the Ombudsman Committee will direct the Section to take prompt and appropriate corrective action necessary to ensure compliance with legal and ethical requirements relating to the Section's financial, accounting, and audit matters. If the Ombudsman Committee determines that a particular complaint or concern is not covered by this policy, it will refer the complaint or concern for appropriate handling and response.

### **Confidentiality and Non-Retaliation**

Reports of questionable accounting or audit practices will be kept confidential to the extent possible consistent with the Ombudsman Committee's obligation to investigate and correct unlawful or unethical accounting or audit practices. To ensure confidentiality of the source, a complaint may be made anonymously.

The Section will not retaliate or take any form of reprisal against any person who makes a report pursuant to this policy or who participates honestly in an investigation regarding financial, auditing or accounting matters. Any employee who retaliates against someone because that person reported a matter under this policy or provided information to the Ombudsman Committee as a witness will be subject to discipline, up to and including termination. Persons who believe they are subject to retaliation because they have made a report or participated in an investigation should report such suspected retaliation to the Ombudsman Committee in the same manner as described above for the reporting of questionable practices.

Questions about this policy should be directed to the President of the Section at the address shown below. The members of the Ombudsman Committee (current officers) are:

#### **President**

Mr. Chris Byrd, PGA  
Cape Fear CC  
Wilmington, NC  
(910) 612-7635  
byrdsurf@yahoo.com

#### **Vice President**

Mr. Josh Wagaman  
Kiawah Isl. Resort – Cougar Point  
Kiawah Island, SC  
(843) 266-4020  
josh\_wagaman@kiawahresort.com

#### **Secretary**

Mr. Jeff Avant  
Rolling Hills CC  
Monroe, NC  
(336) 264-3279  
javant@rollinghillscountryclub.org



**Carolinas PGA Board of Directors Conflict of Interest/Confidentiality Disclosure Statement**

As a member of the Carolinas PGA Board of Directors, you must agree to adhere to the Carolinas PGA's Conflict of Interest and Confidentiality policies.

Board members should not be subject to influences, interests or relationships that conflict with the best interests of the PGA, PGA Sections, PGA affiliates, and PGA subsidiaries. A Board member is required to act only in the best interests of the PGA and not to further any personal interest or personal advantage. If you have a conflict, please notify the Executive Director and he/she will work with you on resolving the conflict situation.

Board members should not accept gifts of substantial value and/or entertainment of substantial value from persons or entities doing or seeking to do business with the CPGA. Please notify the Executive Director for clarification if any gifts offered prior to accepting a gift in keeping with this policy.

Board members are prohibited from disclosing any information about the PGA or its business interests or prospects to third parties. As a rule of thumb, a Board member should not disclose information about the company's activities unless they are already known by the public. All materials submitted to the Board shall be considered to be confidential and not to be shared with any third parties or used for any third party purpose unless the materials are distributed to the Board member for public purposes. You will be notified by the Executive Director if the materials may be distributed to others.

Please note that violation of the Conflict of Interest and Confidentiality policies may be quite serious. The PGA may impose sanctions upon a Board member who violates the policy. The sanctions may range from issuance of an admonishment letter to removal from the Board. PGA Members serving on the Board may be subject to Code of Ethics proceedings for material breaches.

We thank you in advance for your service to the Carolinas PGA. Please do not hesitate to contact the Executive Director for questions about this policy.

# INVESTMENT POLICY STATEMENT

## FOR

### CAROLINAS SECTION, PGA OF AMERICA

*DRAFTED - December 15, 2016*

#### DESCRIPTION OF THE ACCOUNTS

The purpose of the investment policy is to communicate to both the advisor and the directors a clear understanding of the plan's investment objectives and policies. This statement will outline the overall philosophy and investment processes that are specific enough for all parties to comprehend each accounts' expectations, but sufficiently flexible to allow for changing economic conditions and securities markets. The policy will provide risk policies to guide the advisor(s) toward long-term rate of return objectives and will serve as a standard for evaluating investment performance. The investment policy will also establish the investment restrictions to be placed upon the manager(s) and will outline procedures for policy and performance review.

The overall allocation split between the three accounts will be 70% equity to 30% fixed income. Below are the three different accounts to be used along with a brief description.

**Tactical Account:** The first account will be a tactical account. The account is to be invested as a balanced account with a target asset mix of 65% Equities and 35% Fixed Income, including Cash and Equivalents. Equities (including all convertible securities) may represent up to 75% of the account's market value with a minimum holding of 35%. Fixed Income securities outside of *cash and short-term instruments* are not to exceed 60% of the account's market value with a minimum requirement of 15%. Cash Equivalents (includes T-bills, CD's under one year to maturity, and money market accounts) may be held to a maximum of 25% of the accounts market value.

*OBJECTIVE: The purpose of this account is partial participation in market upticks with an overriding objective to attempt to minimize downside risk.*

**Dividend Stock Account:** The second account is to be invested in a dividend producing stock portfolio. The account will remain invested up to 96% in dividend producing stocks. This account will follow the Morningstar Dividend Select portfolio. The account is to follow a buy-and-hold strategy. All changes made to the portfolio will be based upon the individual merits of the positions and their possible replacements.

*OBJECTIVE: The goal of this account is to provide ongoing income to be distributed to the Section to use at their discretion and to seek opportunity for growth.*

**Fixed Income Account:** The account will have a target yield of 4% or higher. All Fixed Income in this account will follow the below guidelines for fixed income.

*OBJECTIVE: The purpose of this account is to generate income for the section to use at its discretion while fulfilling prudent asset diversification and overall allocations.*

The accounts are tax-exempt under IRS Code 501 c (6). The funds in this operating reserve may be required to provide all or part of *the annual operating budget of the CPGA. Needs may vary, but generally we would expect to use approximately 4% of the accounts' value each year towards PGA member benefit initiatives.* While funds available are currently in the \$2,000,000 range, it is expected that future additions will be made on an ongoing basis. Dividends, interest income, and short term and long term capital gains are not subject to taxation. Therefore, the primary investment objective is to provide growth and income in a manner which will generate adequate resources for distribution.

The uses of the funds are intended to carry out a plan that will meet, at a minimum, three objectives:

1. Continued providing of PGA member services
2. Educational Programs

### 3. Financial support for the Carolinas Junior Foundation through periodic grants

In the implementation of the plan, the fund will always maintain liquidity (cash and very short-term instruments *never to reach a level below 4% of account total*) to meet the annual *financial needs* of the Section. Also, distributions, expenses and grants will be made in a manner that never depletes fund assets below \$1,500,000.

Finally, in the construction of the financial plan, the asset allocation model will incorporate a level of risk whereby exposure to decrease of principal should be targeted to 10% to 12% or less for any given *calendar* year. See Guidelines and Constraints.

## GUIDELINES AND CONSTRAINTS

### CASH AND EQUIVALENTS

The account may be invested in Treasury Bills, Certificates of Deposit and other short-term money market instruments, *or mutual funds and/or Exchange Traded Funds (ETFs) comprised of these instruments* to provide income, liquidity and preservation of the account's principal value. All such assets must represent maturities of 1 year or less at time of purchase.

### EQUITIES

The Director is authorized to select and retain the service of professional money management firms based on quality of management, superior long-term performance, and the demonstrated assumption of risk appropriate to the accounts.

The Advisor is authorized to invest in high quality mutual funds (both "load" and no-load funds), ETFs, and individual stocks. It is the intention of the directors that equity selection be restricted to high quality companies. Illiquid investment, "turnarounds", and speculative "new issues" are not appropriate within this plan.

### FIXED INCOME

Investment in fixed income securities will be monitored to maximize opportunities presented by changes in interest rates, credit ratings and maturity premiums. The advisor may select from appropriately liquid preferred stocks, corporate debt securities, obligations of the U.S. Government and its agencies, securities convertible to equities, Closed-End Funds, *mutual funds and/or ETFs comprised of these securities*. The following guidelines are to be followed:

1. No issues may be purchased with more than 20 years to maturity.
2. Investments in securities of single issuer (with the exception of the U.S. Government and its agencies) must not exceed 10% of the market value.
3. Only corporate issues that meet or exceed a credit rating of an "A" from a major credit rating service may be purchased.
4. Preferred stocks must be rated BBB or better by a major credit rating service at the time of purchase.
5. Convertible securities may be purchased with a maturity date greater than 20 years. The securities must have a maturity value of at least \$50 million, and the underlying equities must meet the requirements for equity purchase outlined above.
6. *Bond mutual funds or ETFs in the "strategic" or "high yield" categories may be utilized but may represent no more than 5% of the overall allocation at any time.*

The advisor is prohibited from investing in private placements, and from speculating in fixed income or interest rate futures. He/she is also prohibited from utilizing options, leverage (margin accounts) or derivatives of any kind. Within the limitations listed above, the advisor has discretion over timing and selection of fixed income securities.

### PERFORMANCE OBJECTIVES OF THE ACCOUNT

The objectives of the account should be pursued as a long-term goal designed to maximize the returns without exposure to undue risk, as defined herein. Whereas it is understood that fluctuating rates of returns are characteristic of the securities market, the advisor's greatest concern should be long-term appreciation of the assets and consistence of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in account performance the expectation of the account is to achieve the following objective over a five-year moving time period:

The desired investment objective for the combined accounts is a long-term rate of return on assets that is, after all management fees and associated expenses, in the 7.5% to 8.25% range. The target rate of return for the overall allocation has been based upon the assumption that future real returns will approximate the historic, relative long-run rates of return experienced for each asset class in the Investment Policy Statement. The Investment Policy Statement realizes that market performance varies and that the desired investment objective may not be attainable on a year-to-year basis.

Each account will have a separate benchmark.

**Tactical Account:** *Performance will be measured against a composite index (60% Russell 3000; 10% MSCI-EAFE; 25% Barclay's Aggregate Bond, 5% T-Bill).*

**Dividend Stock Account:** *100% S&P 500 Index*

**Fixed Income Account:** *100% the Barclays Aggregate Bond Index*

#### REVIEW OF INVESTMENT OBJECTIVES

Investment performance will be reviewed at least semi-annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

It is not expected that the Investment Policy Statement will change as short-term changes in the financial markets should not require adjustments of the Investment Policy Statement.

However, because market conditions can vary greatly over a business cycle, the advisor is granted full discretion to change the asset mix within the above ranges for the purpose of increasing investment return and/or reducing risk.