

CREA is in compliance with OE-7. The following explanations of the reason for the determination of compliance is listed underneath most of the statements listed below. The Executive Director has kept his practice within the guidance given in items 6-11.

OE-7 – Asset Protection

The Executive Director will assure that all organizational assets are adequately protected, properly maintained, appropriately used and not placed at undue risk.

The Executive Director will:

1. Maintain property and casualty insurance coverage on CREA property and its programming property with limits equal to 100% of replacement value.

Central Regional Education Association carries property coverage with NDIRF, policy number IM1299. Coverage is on a blanket basis in the amount of \$138,500 with a \$500 deductible.

Coverage in the amount of \$35,000 is also provided for computers. This has a \$500 deductible as well. This policy with NDIRF also affords money & securities coverage for two locations, \$6,000 for the Minot location and \$19,000 for the Bismarck location with a \$500 deductible. Auto Insurance coverage is provided by NDIRF, policy BA2425, with a \$10,000,000 combined single liability limit (CSL) and all units have comprehensive and collision coverage with the exception of a 2014 Honda. The comprehensive deductible is \$250 and the collision deductible is \$500.

2. Maintain both Errors and Omissions and Comprehensive General Liability insurance coverage protecting board members, staff and the REA itself in an amount that is reasonable for REAs of comparable size and character.

General Liability coverage, including governance liability, with a limit of \$10,000,000 is written through NDIRF, policy GL3451. General liability coverage protects board members, staff and volunteers. Governance Liability means the actual or alleged misstatement, misleading statement, act or omission, neglect or breach of duty including misfeasance, malfeasance or nonfeasance by the covered party. Governance liability does not include personal injury or property damage liability.

3. Assure that all personnel who have access to material amounts of REA funds are bonded and/or covered by employee loss insurance.

CREA is covered by a \$2,000,000 limit of liability Bond Fund in accordance with ND Century Code 26.1-21-10.

4. Protect intellectual property, information, files, records and fixed assets from loss or significant damage.
5. Properly preserve and dispose of all records, equipment, and assets related to affairs or business of the REA.

Data Breach Coverage (data breach liability and data breach expense) with a \$250,000 liability limit and \$250,000 aggregate limit is provided via endorsement to the general liability.

The Executive Director may not:

6. Allow facilities and equipment to be subject to improper use or insufficient maintenance.
7. Unnecessarily expose the REA, the board or staff to legal liability.
8. Invest funds in investments that are not secured or that are not authorized by law.
9. Purchase or sell real estate, including land and buildings.
10. Take any action that damages the REA's public image or credibility.
11. Dispose of personal property except as associated with the normal course of business.

Adopted:

Revised:

Monitoring Method: Internal Report

Monitoring Frequency: Annually in July