

BOC meeting minutes
In-person meeting, Clearwater FL
January 21-22, 2009

BOC members participating – Beverly Baskin, Chair, BBB Raleigh; Jane Driggs, BBB Salt Lake City; Carrie Hurt, Austin TX BBB; Bob Shomphe, Concord NH BBB; and Linda Carmody, BBB Indianapolis. Don MacKinnon, BBB Halifax, represented the Canadian BBBs by phone for part of the meeting. CBBB staff included Nora Carpenter, Steve Salter, Dave Johnson and, by telephone for parts of the meeting, Steve Cole, Alan Cohen and Chris Garver.

The BOC met at the Clearwater, FL BBB on January 21-22, 2009. The meeting started with the opportunity to tour the BBB and meet the staff, led by President and CEO Karen Nalven. The very impressive office features brand-attribute posters picturing BBB staff, and plaques spelling out the BBB Standards for Trust. The BOC was extremely appreciative for two days of outstanding hospitality and comfort provided by the BBB.

Approval of Minutes

The BOC approved the minutes of its December 4 and December 19, 2008 meetings.

CBBB Financial Report

Nora Carpenter updated the BOC on CBBB's 2008 financial performance. No BBBs were in arrears or not in good standing.

Triennial Evaluations

Savannah, GA BBB was previously the subject of a Special Committee hearing and is in merger discussions with a neighboring BBB. The BBB forwarded a report indicating some improvement in finances and updating the BOC on merger progress.

Idaho Falls, ID BBB had been the subject of an on-site evaluation in early December 2008, and had until February 13 to respond to the evaluation findings. The BOC will discuss further at its February 24 scheduled meeting.

Columbia SC BBB is making progress towards demonstrating compliance with standard 17, ad review. The BOC noted several areas of progress but will ask the BBB to be more consistent in certain areas, e.g. reporting closed ad review cases. The BOC will suggest an ad review mentor from a nearby BBB to assist the BBB as needed.

Columbus GA BBB was scheduled for an on-site evaluation on February 4-5, 2009. Mr. Johnson will be accompanied by Vicky Lockett of CBBB and Janet Robb, CEO of Arkansas BBB.

Dayton OH BBB is working towards compliance on standard 3, financials. It provided the BOC with its regular monthly update. The BOC had some questions and will ask the BBB to use the online evaluation financial module to submit further details.

Lima OH BBB submitted a status report on December 8, 2008 and is scheduled to submit full financials to the BOC in March, 2009, per an earlier request from the BOC.

Wichita KS BBB is working towards compliance on standards 3, financials and 17, ad review. The BBB submitted a report showing strong progress towards paying off earlier debts. The BOC will request clarification on certain aspects of the finances, and will suggest an ad review mentor for the BBB.

New Evaluation Process

Mr. Johnson and Mr. Salter reported that the first group to use the online evaluation system had completed the governance and financial/membership modules very smoothly. Feedback indicated that the group, approximately ¼ of the U.S. BBB system, found the process quick (averaging 3-5 hours to complete), easy and user friendly. No glaring problems were discovered in the review of the data by CBBB staff. The next ¼ of BBBs will start data input following orientation in the new system in early February. The BOC made several suggestions on better calculating how a BBB's reserves are figured.

Remaining elements of the evaluation process will rely heavily on the data warehouse. The BOC determined there was a need to 1. Coordinate a comprehensive list of the required items to be collected in the data warehouse (Carrie Hurt in the lead) and 2. Clarify definitions for a number of the stats collected annually, e.g. mediations, complaint referrals, etc (Jane Driggs volunteered to draft).

Fresno Arbitration Request

Jane Driggs reported that the BBB in Fresno was invoking the dispute resolution clause in the CBBB-BBB Membership Agreement to resolve an issue over the VOCUS media tracking service. (The dispute was settled subsequent to the BOC meeting. SAS)

Additional locations in BBB reports

BOC discussed the policy question of whether/when a BBB could list all company locations in its reliability report. The concern is that listing all a company's locations in an Accredited Business report would imply that all locations are accredited, when they may not be individually. Mr. Johnson stated that current policy is silent on listing locations outside the BBB's own service area. The BOC's view is that current standard reporting language does not permit the listing of locations outside one's service area. The BOC will encourage the COR to consider the issue in respect to the "one report per entity" being developed, and ask that it pay particular attention to the concepts impact on accreditation. Ms. Baskin will follow up with Kevin Sanders, who raised the issue, and Dave Polino, Chair of COR.

Advertising of ratings/grades

Alan Cohen joined by telephone to review a policy on the advertising of ratings. The policy allows Accredited Businesses to advertise ratings within certain constraints. This is intended to balance the fact that non-Accredited Businesses will advertise their ratings, and BBB will be hard pressed to stop them. After BOC input, Alan provided a revised resolution, which the BOC approved for consideration by the Executive Committee.

BBB ratings implementation progress and compliance

Alan Cohen stayed on the phone to advise the BOC on ways to verify proper BBB implementation of ratings. After discussion the BOC determined that at least three baseline elements were necessary – use of the approved national formula (algorithm) formerly referred to as COR-4, proper use of the "What Are Ratings" button, and standard reporting language incorporating ratings information in the text

of reliability reports. BOC asked CBBB staff to design a self-certification survey to be sent to all BBBs (U.S. and Canada) after the February 1 primary implementation deadline had passed. It will review the survey results at its February 24 meeting.

The following U.S. BBBs have been approved for extensions to the ratings implementation deadline of February 1:

Omaha, to March 1
Chicago, to March 13
Hawaii, to March 15
Indianapolis and New York City, to March 31

Boston innovative test

BBB/Boston submitted notice of its intention to test, along with five other BBBs, a program in which the BBB would deliver to program participants the BBBOnline seal and otherwise administer the program locally. The BBB also requested the BOC waive the 90-day notice period required under the Innovative Test Policy, which the BOC responded it was unauthorized to do. The BOC has asked that the BBBs in the test provide measures of success including numbers of participants signed up under the approach, the number of "seal clicks" recorded in the test, and an indication of any particular challenges or problems associated with serving the seal. Boston BBB agreed to all these measures.

Canadian BBBs update

Don MacKinnon joined the meeting to inform the BOC of recent developments in the Canadian BBB system. The Canadian Committee of Managers recently reviewed three options for a Canadian evaluation program, and chose to participate in the same online evaluation system now in use in the U.S. subject to approval by the Canadian Council Board. The BOC voiced its support of that approach. (NOTE – Subsequently the CCBBB Board approved Canadian BBB participation in the online evaluation system.)

Mr. MacKinnon noted that the BBB in Montreal had adopted the Hurdman eBindr system. He also noted that several Canadian BBBs had voiced concern that TOB requests were taking too long to be approved. Mr. Salter will look into this.

Finally Mr. MacKinnon noted that several Canadian BBBs requested extensions to the ratings implementation deadline of February 1. Ms. Baskin will follow up with CCBBB President Doug Simpson to clarify which ones.

TrustLink

The BOC reviewed the report submitted by the Caliber BBBs on the TrustLink program (www.trustlink.org). The report provided the numbers of business profiles, consumer profiles and recommendations/reviews added in recent months. The BOC will request that this data be provided for the life of the program in future reports, as well as month-by-month. It will also seek a list of new features and program changes with each report, as TrustLink continues to grow and evolve. The next TrustLink update is due at the end of January.

Data warehouse/data submission

The BOC reviewed an email from IT Committee Chair Doug Broten on the status of BBB data submission into the data warehouse. Chris Garver, CIO of CBBB joined by telephone. Mr. Garver raised a concern over inquiry data submitted by the Caliber

BBBs, specifically that 30,000 of 1.2 million records submitted were rejected due to errors. The records also showed that 31 non-accredited businesses were receiving A+ grades, which should not be under the new ratings formula. BOC asked Mr. Garver to work with Jerry Shipman, CEO BBB New Mexico to address these issues.

BOC also asked Mr. Garver about poor performance of the data warehouse reporting functions and search results. CBBB is in process of acquiring new software to power the data warehouse searches. Mr. Garver promised to look into the current situation.

Carrie Hurt will coordinate an effort to ensure that all vendors are aware of all required fields in the warehouse, and are collecting and submitting them.

Security and complaint handling

A group of 5 BBB CEOs had reviewed BBB complaint emailing procedures and made recommendations for improving security, including eliminating embedded logins and emailing through secure servers. The recommendations had been sent to the IT committee and the BOC for review and input. The BOC tabled further review until more input was received from the IT Committee and BBB vendors.

Advertising by BBB award recipients

BOC reviewed a resolution from Brand Management Committee specifying how and which BBB award winners could advertise their awards. The BOC noted that the version that it had previously approved had been changed to allow for all finalists and semi-finalists to advertise their accomplishments. The BOC reviewed the revised resolution and voted to oppose it at the upcoming Executive Committee meeting. (The BMC's resolution was subsequently adopted at the EC's February 3, 2009 meeting.)

The BOC's next meetings are scheduled for February 24 (teleconference) and March 31 (in person at Virginia CBBB Board meeting). It set future meeting dates as follows:

April 28, teleconference, 1-3 p.m. eastern
May 29, teleconference, 1-3 p.m. eastern
June 30-July 1, in person, Chicago BBB

Steve Salter, CBBB
Recorder