Job Aid: Common KMP Authorities by Position

This Job Aid provides commonly used titles and positions at a various business structures along with standard responsibilities of those positions. This Job Aid was designed to assist in the identification of Key Management Personnel (KMP) at a facility and if the position is essential or non-essential. This does not include the authorities for the FSO or the ITPSO as defined in 32 CFR 117.7(b)(3 and 4), nor does it include all possible roles, positions, or titles which could result in the identification of a KMP.

It should me noted, KMP required to hold a personnel security clearance must provide a personal email address to facilitate creation of an eAPP account.

KMP Role	Authorities of the Position
Board of Directors	▪ Protects shareholders' assets and ensures they receive a decent return on investment ▪ Provides oversight and strategic direction on behalf of the shareholders as authorized in the by-laws or State Law ▪ Monitors corporate governance within an organization ▪ Approves financial statements ▪ Selects and evaluates CEO; approves appropriate compensation for CEO ▪ Oversees share repurchase programs, recommends stock splits, etc. ▪ Recommends or discourages mergers and acquisitions
Chairman of the Board	▪ Trusted with the responsibility of chairing a board ▪ Governs the board according to the by-laws of the organization. The chairman must attend the board meetings and committees regularly. ▪ Committed to board duties and has vast knowledge of the organization ▪ Evaluates annual performance of the organization ▪ Chairman rarely involves themselves in the company's day-to-day operations; instead concentrates on the bigger picture and various strategies to increase the company's bottom line ▪ Institutes and enforces company policies and guidelines ▪ Recruits, interviews, and hires the CEO ▪ Votes on key issues surrounding the company; when the board is at a standstill on an issue, the chair typically makes the final decision
Chief Executive Officer (CEO)	▪ Highest ranking executive in a corporation or organization's governance documentation ▪ Responsible for the overall success/management of the organization ▪ Ultimate authority to make final decisions for an organization ▪ Responsible for creating, planning, implementing, and integrating the strategic direction/vision of an organization ▪ Reports to the Board of Directors and serves at the discretion of the Board of Directors
Chief Operating Officer (COO)	▪ Responsible for the daily operations ▪ Provides communication, leadership, and guides management as necessary to ensure that facility has the proper operational controls, administrative and reporting procedures in place to effectively grow the organization ▪ Ensures effective communication with the President/CEO by keeping them informed of daily operations ▪ Ensures that operating objectives and standards of performance are understood by management and employees ▪ Ensures that Company complies with all applicable legal and regulatory requirements and where appropriate, best practices to maximize the financial integrity of the Company ▪ Ensures appropriate and satisfactory systems are in place for monitoring ▪ Company performance against planned and budgeted expectations
General Partner (GP)	▪ Full management control and accepts full personal responsibility for partnership's liabilities, as specified by state law where the partnership was formed and the partnership agreement ▪ Right to manage the business, conduct transactions on behalf of the business, and are liable for company debts ▪ Commonly is active in the day-to-day operations of the business ▪ May be an individual or facility

KMP Role	Authorities of the Position
Limited Partner (LP)	▪ Generally, it does not have any kind of management responsibility ▪ They are not material participants, strictly investors ▪ Share in profits and losses based on share of ownership
Manager	▪ For a manager-managed LLC, only a manager or authorized officer can bind the LLC as specified in the Operating Agreement or when there is no operating agreement, State Law where the LLC is formed ▪ Elected by the members. The member(s) may be elected to be the manager. ▪ Decision authority on key policies, transactions, and establishment of guidelines for how the LLC will operate ▪ Can appoint officers (if supported in the OA) to serve at the pleasure of the manager or board of managers.
Member	▪ For a member-managed LLC, like a stockholder in a corporation. The member is responsible for the formation of the LLC and have an owning interest in the LLC, as designated in the Operating Agreement, and/or State Law when there is no Operating Agreement ▪ Member-managed LLC, the control is retained by the member
President	▪ Creates, communicates, and implements the organization's vision, mission, and overall direction ▪ Leads, guides, directs, and evaluates the work of other executive leaders including senior vice presidents, vice presidents, and directors ▪ Formulates and implements the strategic plan that guides the direction of the business ▪ Oversee the organization in accordance with the direction established in the strategic plans
Shareholder or stockholder	▪ Can be a person or an entity ▪ Makes a financial investment in the corporation, which entitles those with voting shares to elect the directors as specified in the Shareholders agreement and/or State Law ▪ Does not normally have any rights to be involved directly in company management ▪ Connection to company management is typically via the Board of Directors ▪ If shareholder is not satisfied with the performance of the directors, they may remove the directors or refuse to re-elect them
Vice President (VP)	▪ Second in command of an organization and has specific responsibilities depending on the needs of the organization, as directed in the by- laws ▪ Assists in formulating and implementing the strategic plan that guides the direction of the business or their area of responsibility ▪ Leads, guides, directs, and evaluates the work of other executive leaders, including assistant vice presidents, directors, and managers ▪ Achieves the organization's overall strategic goals and profitability requirements as determined by the strategic plans ▪ Assists creating, communicating, and implementing the organization's vision, mission, and overall direction ▪ Vice President acts in the absence of the President