



AIA
Inland California

ADMINISTRATIVE & OPERATIONAL POLICIES

of the

THE AMERICAN INSTITUTE OF ARCHITECTS

INLAND CALIFORNIA CHAPTER

Adoption Date

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Administrative Policy – Conflict of Interest

Purpose

The American Institute of Architects, Inland California (AIAIC) is a not-for-profit corporation organized and existing under the laws of the State of California for the purposes of conducting operations and activities as an organization eligible for tax-exempt status under Section 501(c)(6) of the Internal Revenue Code. The purpose of this conflict of interest policy is to protect the interest of the Chapter when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, committee member, or chief employed executive. This policy is intended to supplement but not replace any applicable Federal or State of California laws governing conflict of interest applicable to nonprofit mutual benefit corporations.

Definitions

1. Conflict of Interest

A conflict of interest arises when a person in a position of authority over an organization may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

2. Interested Person

Any director, officer, committee member, or chief employed executive, who has a direct or indirect financial interest, as defined below, is an interested person and is covered by this policy.

3. Financial and Other Interests

A person has a financial interest if the person has, directly or indirectly, through business, investment, family, or other close personal relationship:

- a. An ownership or investment interest in any entity with which AIAIC has a transaction or arrangement;
- b. A compensation arrangement with AIAIC or with any entity or individual with which AIAIC has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AIAIC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board, AIAIC's Executive Committee, or another appropriate committee or other body of AIAIC decides that a conflict of interest exists.

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and/or members of committees considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The presiding officer or chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the Board or committee shall determine whether AIAIC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in AIAIC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

- a.** If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the Board and the meeting report for all committees shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board or committee's decision as to whether a conflict of interest in fact existed; and
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from AIAIC for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AIAIC for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AIAIC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each director, officer, member of a committee, or chief employed executive shall annually sign a Conflict of Interest Acknowledgement and Disclosure Form which affirms such person:

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands AIAIC is a non-profit corporation and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

To ensure AIAIC operates in a manner consistent with exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to AIAIC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further legitimate purposes, and do not result in inurement or impermissible private benefit.

Use of Outside Experts

When conducting the periodic reviews as provided for in this policy, AIAIC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Other Conflicts of Interest

Each principal officer, director and member of a committee has fiduciary duties and other responsibilities to AIAIC. Each such individual is subject to such duties and responsibilities, whether they arise from federal or state law, from AIAIC's Bylaws or Rules of the Board, from Board-approved policies or other actions of the Board, or from other sources. This policy shall apply to any situations in which any director, officer, or member of a committee has an actual or apparent conflict between his/her private interests and his/her fiduciary duties or other responsibilities to AIAIC. All such actual or apparent conflicts of interest shall be disclosed to the AIAIC President (or Secretary/Treasurer), who shall refer such matters to the appropriate officers of AIAIC and ensure they are considered and resolved in a fair and expeditious manner.

Administrative Policy – Executive Compensation

Purpose

The American Institute of Architects, Inland California (AIAIC) is a not-for-profit corporation organized and existing under the laws of the State of California for the purposes of conducting operations and activities as an organization eligible for tax-exempt status under Section 501(c)(6) of the Internal Revenue Code. The purpose of this conflict of interest policy is to document the process for determining the compensation of AIAIC's Executive Director.

Review and approval

The compensation of the Executive Director is reviewed by the AIAIC Executive Committee. The Executive Committee is comprised of the President, Vice President, Secretary and Treasurer, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.

Use of comparable compensation data

The compensation of the Executive Director is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations. Annually, the Executive Director prepares a history of the Executive Directors compensation and benefits and provides it to the Executive Committee. When requested, comparable compensations for similar AIA Chapter Executive Directors will also be provided to the Executive Committee.

Contemporaneous documentation and recordkeeping

The Executive Committee will document the deliberations and decisions regarding the compensation arrangement and provide the information to the Treasurer for implementation into the fiscal budget.

Administrative Policy - Gift Acceptance

Introduction

The purpose of this gift acceptance policy is to give guidance and counsel to those individuals within the American Institute of Architects, Inland California Chapter (AIAIC) concerned with the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts of philanthropic intent.

These policies must be viewed as flexible and realistic in order to accommodate unpredictable situations as well as donor expectations, as long as such situations and expectations are consistent with AIAIC's mission and policies. Flexibility must be maintained since some gift situations will be complex, and proper decisions can be made only after careful consideration of all related factors. These policies may, therefore, require that the merits of a particular gift be considered by the appropriate staff and/or committee of the Board along with legal counsel and directors if necessary.

All fundraising activities and gift acceptance policies, and their day-to-day implementation, are designed and managed by the Executive Director and are subject to approval by the Board.

The Board, through the finance committee and the Executive Director, is responsible for the gift acceptance policy. This responsibility cannot be delegated or waived. These policies and authorizations shall be reviewed by the Board as circumstances warrant.

Policy Statements

A. Board Acceptance of Gifts

The Board shall exercise its public trust, as mandated by statute, in making final decisions for the acceptance of all gifts and grants and for any exception to its policies and guidelines. Gifts and gift instruments may be received by the Executive Director but can be accepted officially only by the Board as managers of the public trust.

AIAIC shall accept only those gifts the transference and implementation of which shall be deemed consistent with the public laws and/or regulations of the United States of America and the State of California.

B. Philanthropic Intent

The Board shall determine that gifts to AIAIC are evidence of philanthropic intent and that the donor's philanthropy is in accord with the stated mission and goals of AIAIC. The purpose is to prevent AIAIC from being an object of philanthropic intent for either designed or innocent avoidance of taxes, prejudiced purposes, or evaluation of gifts without generous, advanced, objective, experienced evaluation.

C. Ethics

The Board shall assure itself that all philanthropic promotions and solicitation are ethical by adopting policies that prohibit AIAIC personnel from benefiting personally by way of commissions or other devices related to gifts received.

D. Review Legal Arrangements

Legal counsel retained by AIAIC shall, as required, review legal documents, contracts, and all donor agreements. AIAIC shall seek the advice of legal counsel in all matters pertaining to its planned giving program. All agreements shall follow the formats of the specimen agreements to be approved by legal counsel unless counsel has agreed in writing to a change for a specific agreement.

AIAIC shall encourage donors to seek their own counsel in matters relating to their bequests, life income gifts, tax planning, and estate planning. All legally binding documents involving large gifts shall be prepared and/or reviewed by counsel retained by the donor, to avoid any conflict of interest or undue influence. Alternatively, a donor may sign a document prepared by AIAIC, releasing AIAIC from any liability and waiving any conflict.

E. Professional Fees

While AIAIC is happy to offer assistance to attorneys and other professional advisors by providing specific language to be used in charitable giving instruments, it cannot pay any attorney's or advisor's fees associated with this work.

F. Unacceptable Gifts

AIAIC reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of, the following gifts will not be accepted by AIAIC:

1. Gifts that violate any federal, state, or local statute or ordinance
2. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property
3. Gifts that are financially unsound
4. Gifts that could expose AIAIC to liability

G. Stewardship

AIAIC will be responsible for good stewardship toward its donors by following these guidelines:

1. All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
2. All gift acknowledgment letters/receipts will be prepared by the Executive Director.
3. Gifts to AIAIC shall be reported in a manner consistent with the standards recommended by the Association of Fundraising Professionals (AFP) or the National Council on Planned Giving (NCPG).
4. Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by AIAIC. Maximum use will be made of information and contacts that members of the Board, various volunteer groups, or the staff have with potential donors. Written reports of interviews and solicitations will be maintained in the donor prospect file and/or computer.
5. This information is confidential and is strictly for the use of AIAIC Board and staff. Use of this information shall be restricted to organization purposes only. Donor has the right to review his or her donor fund file(s).
6. AIAIC will provide the donors of endowed scholarships with appropriate information about the recipients of scholarship assistance.
7. Should the gift be restricted, AIAIC will provide the donor with a narrative and financial report detailing the activities made possible by their support. This report will be submitted to the donor within 14 days of the completion of the underwritten activities.
8. Gifts to AIAIC and accompanying correspondence will be considered confidential information, with the exception of the publication of donor recognition societies. All donor requests for confidentiality will be honored.
9. Names of donors will not be provided by AIAIC to other organizations, nor will any lists be sold or given to other organizations.

H. Conflict of Interest

AIAIC will assure itself that AIAIC personnel are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. The Board will consider a transaction in which the employee has a "material financial interest" with a donor an act of self-dealing. In reviewing self-dealing transactions, the Board shall consider financial interest "material" to an employee if it is sufficient to create an appearance of a conflict. In each case, this will be a question of fact.

The Board will examine all acts of self-dealing including, but not limited to prohibition against personal benefit. Those individuals who normally engage in the solicitation of gifts on behalf of AIAIC shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of AIAIC. (The definition of individuals includes each of the categories of employees of AIAIC. Individuals are further defined to include associations, partnerships, corporations, or other enterprises in which a member of the staff holds a principal ownership interest.)

I. Conformity to Federal and State Laws

The Board will assure itself that fundraising activities comply with local, state, and federal laws.

J. Gift Valuations

AIAIC shall follow accepted guidelines for the valuation of gifts such as stock, real estate, personal property, and life insurance that require specific methods of valuation for the protection of both the donor and AIAIC.

Gifts of art, furniture, books, stamps, coins, and other collections must have values assessed by properly accredited independent appraisers retained by potential donors for appropriate gift tax credit. AIAIC shall acknowledge receipt of such properties but must not verify values.

K. Required Reporting of Gifts to the Internal Revenue Service

Should AIAIC sell, exchange, or otherwise dispose of any gift (other than checks, cash, or publicly traded stocks or bonds), within two years after the date of the gift, AIAIC will furnish the Internal Revenue Service and the donor with a completed Form 8282.

Administrative Policy – Joint Ventures

The purpose of this policy is to require that The American Institute of Architects, Inland California (AIAIC) evaluate its participation in joint venture arrangements under Federal tax law and take steps to safeguard AIAIC's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

1. **Joint ventures or similar arrangements with taxable entities.** For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether AIAIC controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:
 - a. 95% or more of the venture's or arrangement's income for its tax year ending within AIAIC's tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and
 - b. the primary purpose of AIAIC's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property
2. **Safeguards to ensure exempt status protection.** AIAIC will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that AIAIC's exempt status is protected; and (b) take steps to safeguard AIAIC's exempt status with respect to the venture or arrangement. Some examples of safeguards include:
 - a. control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of AIAIC;
 - b. requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
 - c. that the venture or arrangement not engage in activities that would jeopardize AIAIC's exemption; and
 - d. that all contracts entered into with AIAIC be on terms that are arm's length or more favorable to AIAIC.

Administrative Policy – Member Financial Data Security

Purpose

The purpose of this member financial data security policy is to provide security measures by the American Institute of Architects, Inland California Chapter (AIAIC) to its AIAIC members.

Data

AIA Inland California implements security measures to protect and safeguard AIAIC member financial data. Sensitive financial data includes an individual's first name or initial and last name in combination with any of the following items if the name and items are not encrypted:

- Social security number*
- Driver's license number or government-issued number*
- Account number for credit or debit card

*AIA Inland California does not collect social security numbers, driver's license numbers, or government-issued numbers from AIAIC members.

Compliance

AIA Inland California shall comply with association security standards in accordance with the Payment Card Industry (PCI). When sensitive financial information has been processed by AIA Inland California, it will be shredded, erased or modified so that the data is unreadable or undecipherable. In addition, any breach of the security system safeguarding computerized data by an unauthorized person will be reported to the AIAIC member of the sensitive personal information.

The American Institute of Architects AIA Components Model Harassment Policy

Purpose

AIA Inland California Chapter (a component of the American Institute of Architects (AIA)) and its members are committed to full compliance with all laws and regulations, and to maintaining the highest ethical standards in the way we conduct our operations and activities. This policy is designed to prevent sexual and other types of harassment within AIA Inland California Chapter, and to provide for corrective action as appropriate.

Who Is Covered by the Policy

This policy applies to the following people, referred to as Covered Individuals:

- members of the AIA Inland California Chapter Board of Directors (or other governing body).
- all individuals who act on Inland California Chapter's behalf through election, appointment (including appointment to a committee), or Board action, or under authority from its Bylaws or Rules of the Board.
- *AIA Inland California Chapter* staff
- all individual members of AIA Inland California Chapter engaged in activities relating to the business of the AIA such as meetings and events, continuing education sessions, tours, and any other AIA-related activities.
- all other individuals engaged in activities relating to the business of AIA Inland California Chapter such as meetings and events, continuing education sessions, tours, and any other AIA Inland California Chapter-related activities.

Prohibited Conduct

This policy prohibits discriminatory or harassing behavior (that is, unwelcome conduct) directed toward a person because of his or her sex, race, color, religion, national origin, age, marital status, personal appearance, sexual orientation or identification, family responsibilities, physical or mental disability, political affiliation, or other status protected under the laws of the jurisdiction(s) in which AIA Inland California Chapter is present or the relevant activities take place.

Accordingly, no Covered Individual shall:

- engage in or facilitate any discriminatory or harassing behavior directed toward AIA officers, directors, members, staff, meeting attendees, exhibitors, advertisers, sponsors, suppliers, contractors, guests, or others in connection with activities relating to the AIA.
- engage in speech or conduct which is disparaging or derogatory of persons based on any of the factors mentioned above, in connection with activities relating to the AIA.

Reporting a Violation

Violations of this policy may be reported to the AIA Inland California Chapter Executive Director and/or to the Board of Directors. The Board will be responsible for resolving any reported violation, and will determine an appropriate course of action. This will ordinarily involve a prompt inquiry or investigation, which shall be conducted with utmost discretion and be kept confidential to the greatest extent possible. Such inquiry or investigation shall be conducted by the Board or by one or more of its members, by legal counsel retained by AIA Inland California Chapter, or by such other person(s) as the Board may designate.

Board Action

Promptly after the inquiry or investigation has been completed, the resulting findings will be reported to the Board. The Board shall then conduct such proceedings and take such action as may be appropriate and authorized under applicable law and under the governing documents of the Institute and of AIA Inland California Chapter. If a Board member has been charged with the pertinent violation, he or she may present arguments and supporting evidence on his or her behalf, but will not otherwise influence or participate in the Board's proceedings on the violation.

If the Board of AIA Inland California Chapter fails to address an alleged violation in the manner shown above, the person reporting the alleged violation may contact AIA CALIFORNIA at ndennis@aiacc.org. If AIA CALIFORNIA fails to respond, the person reporting the alleged violation may contact the General Counsel of the American Institute of Architects at jstephens@aia.org.

Alleged Violations of the AIA Code of Ethics

Certain acts may violate the [AIA Code of Ethics and Professional Conduct](#), and therefore might be the subject of a complaint to the Institute's National Ethics Council. For more information, go to the link provided above.

The American Institute of Architects AIA Components Model Harassment Policy

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Who Is Covered by the Policy

This policy applies to the following people, referred to as Covered Individuals:

- members of the AIA Inland California Chapter Board of Directors (or other governing body).
- all individuals who act on Inland California Chapter's behalf through election, appointment (including appointment to a committee), or Board action, or under authority from its Bylaws or Rules of the Board.
- *AIA Inland California Chapter* staff
- all individual members of AIA Inland California Chapter engaged in activities relating to the business of the AIA such as meetings and events, continuing education sessions, tours, and any other AIA-related activities.
- all other individuals engaged in activities relating to the business of AIA Inland California Chapter such as meetings and events, continuing education sessions, tours, and any other AIA Inland California Chapter-related activities.

Prohibited Conduct

This policy prohibits discriminatory or harassing behavior (that is, unwelcome conduct) directed toward a person because of his or her sex, race, color, religion, national origin, age, marital status, personal appearance, sexual orientation or identification, family responsibilities, physical or mental disability, political affiliation, or other status protected under the laws of the jurisdiction(s) in which AIA Inland California Chapter is present or the relevant activities take place.

Accordingly, no Covered Individual shall:

- engage in or facilitate any discriminatory or harassing behavior directed toward AIA officers, directors, members, staff, meeting attendees, exhibitors, advertisers, sponsors, suppliers, contractors, guests, or others in connection with activities relating to the AIA.

Board Action

Promptly after the inquiry or investigation has been completed, the resulting findings will be reported to the Board. The Board shall then conduct such proceedings and take such action as may be appropriate and authorized under applicable law and under the governing documents of the Institute and of AIA Inland California Chapter. If a Board member has been charged with the pertinent violation, he or she may present arguments and supporting evidence on his or her behalf, but will not otherwise influence or participate in the Board's proceedings on the violation.

If the Board of AIA Inland California Chapter fails to address an alleged violation in the manner shown above, the person reporting the alleged violation may contact AIA CALIFORNIA at ndennis@aiacc.org. If AIA CALIFORNIA fails to respond, the person reporting the alleged violation may contact the General Counsel of the American Institute of Architects at jstephens@aia.org.

Alleged Violations of the AIA Code of Ethics

Certain acts may violate the [AIA Code of Ethics and Professional Conduct](#), and therefore might be the subject of a complaint to the Institute's National Ethics Council. For more information, go to the link provided above.

Administrative Policy - Whistleblower

Purpose

The American Institute of Architects, Inland California (AIAIC) is open and accountable to its members and employees. AIAIC Board of Directors expects all AIAIC volunteers and employees to obey the law and act ethically. It also expects employees to report honestly to their supervisors. It requires that volunteers and employees contact senior management, or AIAIC officers, as appropriate, about any activity that they think might violate law, policy, or ethical standards.

This policy is intended to cover serious concerns that could affect AIAIC. These include actions that:

- could lead to inaccurate financial reporting;
- are unlawful, such as fraud, theft, embezzlement, or other illegal activities;
- are inconsistent with policies or procedures;
- otherwise amount to serious misconduct, such as unethical business conduct, or other inappropriate conduct;
- result in the destruction of documents in a manner inconsistent with AIAIC's records retention policy; or
- result in the inappropriate or illegal use of AIAIC property (e.g., using AIAIC property for personal gain).

Other subjects on which AIAIC has existing complaint mechanisms should be addressed under those mechanisms. For example, an employee's allegation of discrimination or harassment should be reported as documented in AIAIC's Anti-Harassment Policy. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

The policy is intended to encourage and enable you and others to raise serious concerns within AIAIC before seeking action from outside sources.

Protecting Your Confidentiality and Protection from Retaliation

Every effort will be made to protect your confidentiality, and AIAIC will not tolerate harassment or retaliation of any sort against anybody submitting a report under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. While anonymous reports will be accepted, you are encouraged to identify yourself in order to strengthen the credibility of your report and to help the follow-up investigation. Malicious or knowingly false reports, however, may result in disciplinary action, up to and including termination of your employment or service as a volunteer.

Reporting a Violation

You should follow these guidelines when reporting a violation under this policy:

- Describe in detail the specific facts demonstrating the basis for the complaint or report. Employee or volunteers must recognize that AIAIC may be unable to fully evaluate a vague or general complaint or report that is made anonymously.
- Where possible, if you are an employee, you should report the violation initially to your direct supervisor. In most cases, your supervisor should be in the best position to address an area of concern.
- If you are a volunteer, who is not comfortable speaking with the Executive Committee about a violation, you are encouraged to speak with the AIAIC Executive Director.

- ✓ This policy requires every Board of Director member to report suspected violations to the AIAIC Executive Director. The Board of Director member should not have anything else to do with the matter unless directed by the AIAIC Executive Director.
- ✓ If the AIAIC Executive Director is implicated in the complaint, you should report the violation to the AIAIC Secretary/Treasurer.
- ✓ If the violation you are reporting has to do with fraud or financial misconduct, you may follow the procedures shown above. In the alternative, you may contact the AIAIC Secretary/Treasurer.
- ✓ Except under extraordinary circumstances, the AIAIC President and, if allegation of fraud or financial misconduct, the AIAIC Secretary/Treasurer will be informed when a report is received. Other persons may also be notified on a need-to-know basis.

Investigation and Report

The following guidelines apply to investigations:

- ✓ The AIAIC Executive Director has specific and exclusive responsibility to investigate all reported violations. If the AIAIC Executive Director finds it appropriate to recuse him/herself, he/she will retain impartial outside counsel or auditors to conduct the investigation.
- ✓ To the extent possible, your report will be acknowledged within 5 business days. You will also be informed about next steps and about when you may expect to hear more about the investigation of your reported allegations.
- ✓ The AIAIC Executive Director will conduct a prompt investigation, while doing everything possible to keep your identity and role confidential. (You should be aware, however, that legal requirements or other circumstances may make it impossible to fully protect confidentiality in some cases.) You will be notified within 2 weeks if a broader investigation appears to be needed.
- ✓ You are not expected to prove the truth of your allegations. You should, however, be prepared to be interviewed (unless your report is anonymous) and to submit whatever evidence is available to support the allegations.
- ✓ The AIAIC Executive Director will submit a written report, which will include a summary of the allegations and his or her recommendations, to members of the AIAIC Executive Committee, and/or to the AIAIC Board of Directors, as appropriate. You will be informed about the results of the report.
- ✓ Where appropriate, corrective action will be taken. The action taken will depend on how serious the pertinent violation is and may include such things as a warning, a letter of reprimand, suspension with or without pay, or termination of employment. In the case of a volunteer, corrective action may include such things as limitations on the volunteer's opportunity to serve on AIAIC committees.

Contact of AIAIC Officers

- ✓ If the process described above is not followed after you have submitted a report, you may contact the AIAIC President. If you are not comfortable contacting the AIAIC President, you may contact the AIAIC Vice President.

Administrative Policy – Record Retention

AIAIC Records Retention Schedule – Introduction

The mission of the Records Management program at The American Institute of Architects, Inland California (AIAIC) is to improve operational efficiency; to ensure compliance with recordkeeping requirements; and to preserve a record of the functions, programs, and activities. The following list represents current and possible future records with associated retention periods.

Record	Retention Period
1099's and transmittal form	4 years
Accident reports and claims (exposure to harmful substances)	30 years
Accounts payable vendor ledgers and aging schedules	7 years
Accounts receivable customer ledgers and aging schedules	7 years
Administrative policies (still in effect)	Permanently
Administrative policies (expired)	3 years
Agendas: Executive Committee; Board of Directors and special committees	7 years
Agendas: Program committees and task forces	3 years
AIAIC Website	3 years from the date of publication
Applications, resumes, and other job inquiries (candidates not hired)	1 year
Articles of Incorporation	Permanently
Audit/review RFP's	Life of contract
Audit/review reports	Permanently
Audit/review detail binders	7 years
Balance sheet account reconciliations (monthly)	2 years
Bank reconciliations and proofs of cash	7 years
Bank statements	7 years
Board orientation handbook	1 year
Board of Directors allocation worksheets and memos	Permanently
Resource books (current)	Permanently
Resource books (expired)	1 year
Board books (Administrative Assistant copy with changes)	3 years
Budget (approved, including budget requests and detail schedules)	3 years
Budget books (except finance department copy)	1 year

Record	Retention Period
Budget books (finance department copy)	3 years
Bylaws (current)	Permanently
Bylaws (expired)	Permanently
Calendars	1 year
Cash disbursements journals	Permanently
Cash and interest schedules	7 years
Cash receipts detail schedules	7 years
Cash receipts journals	Permanently
Chapter Articles of Incorporation, Bylaws, and Rosters (still in effect)	Permanently
Chapter Articles of Incorporation, Bylaws, and Rosters (expired)	None
Chapter financial information	7 years
Chapter surveys	1 year
Chapter newsletters	1 year
Charts of accounts	Permanently
Check registers	7 years
Check logs	3 years
Checks (canceled)	7 years
Committee spreadsheet	1 year
Computer equipment files	Until replaced
Commercial solicitations	None
Contracts and leases (expired)	4 years
Contracts and leases (still in effect)	Permanently
Copyrights, patents, etc.	Permanently
Correspondence (routine) with vendors and customers	1 year
Correspondence (general)	3 years
Correspondence (legal implications and important matters only)	Permanently
Credit applications (still in effect)	Permanently
Credit applications (expired)	None
Credit card files (sales slips and credit slips)	3 years
Deposit detail	7 years
Design Awards history archives (list of winners and call for entry samples)	Permanently

Record	Retention Period
Depreciation schedules	Permanently
Dues analysis	3 years
Dues collections reports	7 years
Employee benefit plan documents and memos describing plans	Permanently
Employee handbook / personnel manual superseded	5 years
Employee cost schedules	7 years
Employee background check files (terminated)	3 years
Employee phone and address list (finance copy)	None
Employee personnel files: application; resume; employment letter; personnel data sheet; new employee orientation checklist; W4's; payroll deduction authorizations; I-9; employment history; evaluations; promotions; bonuses; employment verifications (terminated)	6 years
Employee personnel files: application; resume; employment letter; personnel data sheet; new employee orientation checklist; W4's; payroll deduction authorizations; I-9; employment history; evaluations; promotions; bonuses; employment verifications (Current)	Permanently
Employment Notice poster (expired)	None
Employee medical benefit files: enrollment forms; disability records; workers compensation (current)	Permanent
Employee medical benefit files: enrollment forms; disability records; workers compensation (terminated)	6 years
Executive Director working files	5 years
Expense Reports (Finance Copy)	7 years
Expense Reports (Except Finance Copy)	1 year
Event registration files (except finance copy)	1 year
Event/meeting files	3 years
Financial statements (year-end: budgetary)	Permanently
Financial projections (overall and individual programs/activities)	3 years
Financial statements (monthly)	3 years
Franchise Tax Board tax exemption determination letter	Permanently
General ledger and trial balance (cumulative year-end: budgetary)	Permanently
General ledger (monthly)	3 years
General Store order forms (except finance copy)	1 year

Record	Retention Period
General Store order forms (finance copy)	7 years
Injury and illness prevention program documents	6 years
Insurance policies and records, including accident reports and claims	Permanently
Insurance policies (expired)	Until suspended
Inventories	7 years
Invoices to customers (non-dues related)	7 years
Invoices to customers (except finance copy)	1 year
Invoices from vendors	7 years
Security policy and procedures	Until Superseded
IRS tax exemption determination letter	Permanently
Journals (year-end)	Permanently
Journal entry forms, including backup	7 years
Label orders, including backup requests and shipping information	7 years
Lease agreements (completed)	3 years
Long-Range Plan	Permanently
Medical benefit plans (Summary plan descriptions; summary annual reports; summary of material modifications; reports of plan termination; 5500's; plan trustee records)	6 years, or 1 year after termination of plan; whichever is later
Meeting notices	7 years
Meeting/event files (including slides)	3 years
Membership applications, member correspondence, National confirmation letters, waiver/deferment forms	2 years
Membership counts (year-end)	7 years
Membership counts (monthly)	2 years
Membership rosters (year-end)	Permanently
Minutes of meetings of the Board of Directors, Executive Committee, Board Committees, and Special Committees	Permanently
Minutes of meeting of Program Committees and Task Forces	3 years
Nomination / candidate letters	1 year
Notes receivable ledgers and schedules	7 years
Operating Plan (approved finance copy)	3 years
Operating Plan (approved non-finance copy)	1 year
Occupational injury and illness records (for job injuries causing a	5 years

Record	Retention Period
loss of work time)	
Payroll input files	7 years
Payroll records and journals	7 years
Payroll tax guides	7 years
Payroll tax returns	7 years
Pension and welfare plan information	Permanently
Pension records	Permanently
Personnel policy manual	Permanently
Petty cash vouchers	7 years
Photo library	Permanently
Position descriptions – expired	3 years
Position descriptions – current	Permanently
Policy Book	Permanently
Professional Practice working files	3 years
Project code listing	Permanently
Projection worksheets	3 years
Property records (financial including costs and depreciation)	Permanently
Property tax returns	7 years
Public policy statements	3 years
Purchase orders (finance department copy w/ copy of check)	7 years
Revenue sharing allocations to chapters	7 years
Resumes, applications and other job inquiries (candidates not hired)	2 years
Rules of the Board (current)	Permanently
Rules of the Board (expired)	Permanently
Salary surveys	2 years
Sales and use tax returns and work papers	3 years
Securities transactions (including losses on securities for tax purposes)	7 years
Software and technical manuals	As long as data from that application is retained in electronic format
Service awards history archives (list of winners)	Permanently
Sponsorship files – contacts; actions etc.	4 years after they expire

Record	Retention Period
Sponsorship ad advertising contracts	4 years after they expire
Statements of information – Domestic Nonprofit Corporation	Permanently
Statements to customers (non-dues related)	7 years
Strategic Plan	7 years
Staff time allocation worksheets	7 years
Subscription information	7 years
SUI/ETT/SDI rates notice	7 years
Subsidiary ledgers	7 years
Tax returns and worksheets, revenue agents' reports, and other documents relating to the determination of income tax liability	Permanently
Trademark Registration	Permanently
Time sheets	7 years
Videos	Permanently
Vouchers for payments to vendors, employees	7 years
W-9's – no longer a vendor	Vendor information is retained until the vendor is no longer in business.

Tool Kit

Policy Management

Policies serve many purposes in an association. They represent the wisdom of the board of directors in interpreting the governing documents and identifying the best methods to advance and protect the organization.

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Tool kit developed by Bob Harris, CAE. For samples and tips on association governance and management, visit www.nonprofitcenter.com.

The Purpose of Policies

Policies guide an organization. They interpret the broader governing documents such as the articles of incorporation, bylaws and mission statement. They reflect the history of decisions by prior governing boards.

Without policies, volunteer leaders make *assumptions* as to why certain practices exist. Because boards frequently transition, policies support continuity in governance. Where no policies exist, boards tend to rehash discussions that were previously held. A policy offers a solution and avoids redundant debate.

Policies may serve to protect an organization. In some cases, a policy may be used as a defense. The fact that the policy exists may show that the board satisfied its duty of care and due diligence.

While policies are considered a component of the governing documents, they are easier to adopt and amend than bylaws. Generally, bylaws require notice and possibly approval by the members whereas policies can be adopted by the board.

Policies clarify by giving authority to, or limiting, actions. For example, a committee may find they have no authority to expend funds on behalf of the board as communicated through policy.



Definitions

From the dictionary:

- wisdom in the management of affairs
- a definite course or method of action selected from alternatives and in light of given conditions to guide and determine present and future decisions
- a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body

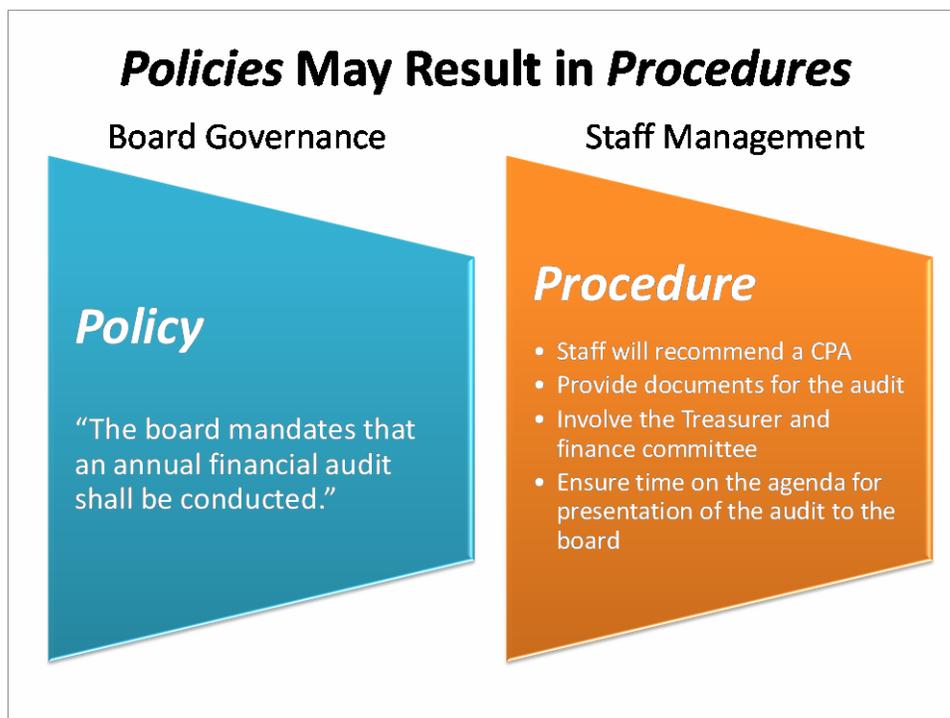
Policies are NOT Procedures

Procedures are administrative or managerial, a documentation of staff responsibilities (they should be of minimal interest to the board.)

For example, the steps for processing a new member are managed by staff and should be documented for consistency. The board should be concerned with membership trends but not administrative operations of recruitment and renewal.



Procedures are often the result of policies. When the board adopts a policy, the staff should determine what steps are required to implement and maintain the policy. For instance, a board policy on the chairman's use of a corporate credit card should create *procedures* for submitting receipts on prescribed forms and reimbursement deadlines.



Precautions

While policies have multiple purposes, there are precautions:

- Policies may not conflict with other governing documents or applicable laws.
- Policies are not amendments to the bylaws.
- Policies may exist but no *system* has been created to retrieve and reference.
- Policies should not be confused with personnel guidelines and/or administrative procedure.
- Policies may be vague, lengthy or unenforceable.

- Too many policies (many organizations govern effectively with 20 to 40 policies.)
- Believing that a policy exists when it has never officially been adopted.
- Policies are always written – not to be confused with precedents or practices.

Policy Development

The flow chart depicts the development of policy. While not every policy will follow each step precisely, this represents a comprehensive approach.



- **Identify the Issue** – When issues and discussions at the board table become repetitive, confusing or drawn-out, it may be a sign that a policy is needed. For example, an annual discussion of whether or not to have a financial audit could be guided by a previously adopted policy prescribing an audit every three years.
- **Consistent with Governing Documents** – Before recommending a policy, check the governing documents (bylaws and articles of incorporation¹). If the governing documents are vague, then use policy adoption to clarify or interpret. Policies may not conflict with the governing documents.
- **Environmental Scan** – How do other organizations solve a similar issue? Are sample policies available to discuss with the board? An environmental scan can expedite the development of policy.
- **Draft the Policy** – The proposed policy or solution to the issue must in writing. A committee, staff or consultant can draft a policy for board consideration. Clarity is essential.

¹ Subordinate organizations may have a contractual relationship with a parent organization which will also serve as a source of governance guidance and which policy may not be adopted that conflict with the relationship.

- ✓ **Stakeholder Input** – Because policy has long-term impact, seek input from involved and interested members. Rely on the legal, accounting and insurance counsel in the development of policy statements.
- ✓ **Adoption by the Board** – It is the action of a motion to adopt the policy --- and recording it in the minutes --- that makes the policy official. All policies can be traced to their origin in the board minutes. (It is a good practice to annotate the date of adoption when entering a new policy in a manual so its origination can be referenced.)
- ✓ **Update Policy Manual** – Though a policy is written into the meeting minutes, it is important to transcribe it into a form for access by future leaders and staff. Maintain a manual, log or on-line document that records all of the organization's policies.
- ✓ **Distribute for Awareness** – Policies have little value if the board and future leaders are not aware of them. As policies are adopted, be sure to inform impacted parties.



IRS Policies

Since 2008, the Internal Revenue Service (IRS) has focused on exempt organization governance by adding policy questions to Form 990, the annual information return². Most organizations have adopted such policies so they can be answered to the affirmative.

- ✓ Financial Audit and Audit Committee
- ✓ Record Retention and Document Destruction
- ✓ Whistleblower
- ✓ Disclosure of Conflicts of Interest
- ✓ Public Records Disclosure
- ✓ Compensation of Senior Staff
- ✓ Maintaining Meeting Minutes



² The policies questions are not part of IRS Code.

Errors in Policy Adoption

Because most boards are composed of volunteers, they may not be specialists in understanding policy development. Here are frequent errors:

- ✓ **Amending the Bylaws** – Don't be swayed by the volunteer who says, "We need to get that in our bylaws." Let the bylaws remain a broad governing document; the policies should interpret the bylaws but not be included in them.
- ✓ **Conflicting Documents** - Policies may not conflict with existing governing documents. Policies interpret the bylaws and articles, not replace or supersede them.
- ✓ **Hyper Focus** – Don't let a board become mired in policy development. Issues will arise naturally that can be solved by policy. Rather than debate at the board table, ask staff, committee or counsel to bring a recommendation to the board.
- ✓ **Archival in the Minutes** – Some executives state, "We don't have a policy manual but I can tell you exactly when it was adopted." At least annually transcribe policies into a manual. Hint: When transferring the policy, reference the date of the meeting in which it was adopted or amended.
- ✓ **Environmental Scan** – One can discuss for hours a suggested policy, or search for policy samples from similar organizations. Conduct an environmental scan of other associations and use the resources at the American Society of Association Executives, the American Chamber of Commerce Executives, BoardSource, plus legal and accounting counsel.
- ✓ **Policy Mania** – A good number of policies in a nonprofit is 20 to 50. If the organization has 100s of statements, many of which may be out-of-date, conduct a sunset review. Appoint a task force to review and recommend policies to add or delete.
- ✓ **It Doesn't End with Policy** – Nearly every policy results in *procedures*. For instance, a policy on conflicts of interest will result in the need for procedures to educate the board annually, create and distribute a disclosure form, and to properly record conflicts in the minutes.



30 days of meetings will require staff develop steps to draft, distribute and archive minutes in a timely manner.

- ✓ **Annotation** – Include the date of adoption and insert at the end of each policy. If a policy is amended, include the date so the board meeting minutes can be referenced.

- ✓ **Sunset and Review** – From time to time, a committee may want to review all policies to identify outdated and missing statements. Some organizations have a policy to review their comprehensive policy manual every five years.

Common Policies

These are policies often found in not-for-profit, exempt organizations. The list is not meant to be comprehensive. All organizations are unique and thus have diverse policy needs. Most associations have 25 to 50 policies.

- ✓ Antitrust Avoidance
- ✓ Authority to Represent/Speak for the Organization (Apparent Authority)
- ✓ CEO Performance Evaluation
- ✓ CEO/Senior Staff Compensation
- ✓ Code of Conduct - Volunteers
- ✓ Committee Authority
- ✓ Confidentiality
- ✓ Conflict of Interest
- ✓ Consent Agenda Usage
- ✓ Distribution of Meeting Minutes
- ✓ Endorsements and Affinity Programs
- ✓ Executive Sessions and Guests
- ✓ Financial Audit
- ✓ Insurance Coverages
- ✓ Investments
- ✓ Liquor
- ✓ Listservs and Bulletin Boards
- ✓ Logo Use
- ✓ Member Information and Privacy Protocols
- ✓ Original Works and Intellectual Property
- ✓ Public Records
- ✓ Record Retention
- ✓ Savings and Reserves
- ✓ Strategic Planning
- ✓ Whistleblower

Policy Samples

The following represent policies often found in associations. Be sure to rely on the legal, accounting and insurance counsel in the development of policy statements.

Antitrust Avoidance

Because of state and federal antitrust laws, certain topics are not appropriate for discussion at any board, committee or function of the organization. Many of our members are competitors and any action or agreement which may eliminate, restrict or impact competition in the marketplace could be a violation of antitrust laws. The penalties are severe for individuals and organizations.

Thus there shall be no discussions of any items that may appear to be anti competitive, including competitive practices, current or future prices, fees or charges, discount offerings, terms of service, profitability, credit terms or refusal to deal with other industry members or partners. The board supports free enterprise and competition and strictly adheres to antitrust avoidance guidelines.

CEO Performance Evaluation

A periodic performance evaluation (not more than annually, without cause) of the executive director shall be a responsibility of the chairman of the board or a designated subgroup of the board as appointed by the chairman. The performance evaluation tool should reflect the unique aspects of managing a not-for-profit organization and the advancement of the organization's mission and strategic plan.

While the entire board may be asked to offer input, the entire board will not make up the performance evaluation committee or task force. The board's chairman may conduct the performance evaluation independently so long as a final report is provided to the executive committee and/or board of directors, and the executive director. All discussions, documents and outcomes shall remain confidential.

Committee Authority

Committees serve at the will of the board. No committee has authority to expend fund, contract or speak for the association without specific approval from the chief elected officer or the executive director.

Documents provided to the board are provided for the purpose of governance. They are to be considered confidential. In most cases the only public records in the organization are the IRS Letter of Determination, IRS Application for Exempt Status, and IRS Information Return (Form 990.)

Board members must respect that records, discussions and decisions are confidential and should be treated as such. A board member that breaches the confidential nature

of contracts, member discussions, and contract issues shall submit his or her resignation to the president of the board.

Compensation

The chief executive officer and senior staff shall be compensated fairly based on their experience, job description and comparability data demonstrating fair market value. A subcommittee of the board will review the compensation and comparability data and maintain confidentiality of salaries.

Conflicts of Interest

The board, all volunteer leaders and senior staff are advised to avoid any conflicts of interest, whether real or perceived. Potential conflicts must be disclosed annually, at every board meeting and as often as they arise.

Consent Agenda

The chairman, in consultation with the board of directors, may place items in a consent agenda. This requires that all reports be submitted in writing 14 days prior to the board meeting.

By using a consent agenda, the board agrees to the consideration of these items as a group under one motion and without further discussion so that more substantive business can be handled. Consent items are those which usually do not require discussion or explanation prior to board action, are non-controversial and/or similar in content, or are those items which have already been discussed and/or explained and do not require further discussion or explanation. Such agenda items might include ministerial tasks such as, but not limited to, the approval of the agenda, approval of previous minutes, approval of bills, approval of reports, etc. These items might also include similar groups of decisions such as, but not limited to, approval of staff contracts, approval of minutes, finances and reports.

A director may request the removal of items from the consent agenda by making a request of the chairman. A request is timely if made prior to the vote on the consent agenda. The request does not require a second or a vote by the board. An item removed from the consent agenda will then be discussed and acted on separately, immediately following the consideration of the consent agenda or in an appropriate place on the agenda (i.e. old business or new business.)

Diversity

In principal and in practice, we value and seek diverse and inclusive participation within the profession. We promote involvement and access to involvement and leadership opportunity to all members regardless of race, ethnicity, gender, religion, age, sexual orientation, nationality, or disability. We will continue to provide leadership and commit

time and resources to advance this policy statement.

Confidentiality

Executive Session of the Board

An executive session is defined as when the board asks non-board members to leave and goes into a closed door session. To avoid general discussions without staff or counsel present, the board will identify the topic(s) prior to going into executive session. Some reference will be made to the topic either before entering executive session or in a report following the session; so that it is clear the board only discussed germane topics. Guests must understand that the board has authority to go into executive session when it is in the best interests of the organization and may be asked to leave. If the board goes into executive session, guests will be asked to leave.

Financial Audit

Annually, the board of directors will appoint an audit task force (appointed from members of the finance committee and past presidents) that is responsible for selecting an independent Certified Public Accountant to conduct an audit³ in accordance with Generally Accepted Auditing Standards. The executive director and audit task force will make records available to the auditor for the purpose of carrying out the audit.

The audit task force will transmit the final audit report and management letter to the board of directors for review and approval by a motion of the board. The audit report is not to be treated as a public record and may not be viewed without authorization.

At minimum, the task force will consider the services and cost of the auditor by distributing a request-for-proposal (RFP) at least every five years.

Guests Attending Board Meetings

Guests are not invited to convened meetings of the board without approval of the chief elected officer in advance. If a guest, including members in good standing, attends board meetings, they will be advised that they may not speak nor sit at the board table. They will be recognized or called upon at the appropriate time on the agenda.

Insurance Coverages

Because the board has a fiduciary duty to protect the organization and to minimize risks, at all times there shall be insurance coverages as follows:

- General Liability Insurance
- Directors and Officers Liability (D & O)
- Fiduciary Bond/Fidelity Bond

³ Audit, review or compilation.

- Conference Cancellation Insurance

Liquor

If liquor is served at a function, association staff will not purchase or pour the liquor, preferring that an insured and trained bartender be utilized as provided by a caterer, hotel, etc. The caterer should have insurance and indemnify and hold the organization harmless with respect to claims, damages, losses, etc.

When advisable, host liquor liability insurance will be purchased to protect the organization. Whenever liquor is served, it will be carefully accounted for through the use of a cash bar, drink tickets, and/or limited hours and availability (as opposed to an open bar.) If driving is involved after a hosted event where liquor is served, the organization will arrange for professional transportation options.

Listservs and Bulletin Boards

The association provides access to listservs and bulletin boards for the exchange of information. No postings shall be made that may be considered self serving or injurious to an organization or person's reputation. No copyrighted materials may be posted improperly. No statements that might violate antitrust laws may be made. The organization reserves the right to refuse access to the listservs and bulletin boards and may remove postings at any time.

Logo Usage

Use of the organization's distinctive logo is a benefit of membership. Members are encouraged to promote membership in the organization, and what it stands for by using the *prescribed* logo on forms, business cards, stationery and in advertisements.

The logo, and any marks associated with the organization are the property of the organization and are protected by state and federal laws. Use of the logo is contingent upon agreeing to the following licensing provisions:

- The logo is the property of the organization;
- Members in good standing may use the logo on stationery and in advertising to indicate membership;
- The logo of the organization may not be used by a member without the words "Member" incorporated into the design;
- Members may not use the logo to state or imply that the organization has endorsed their company or their company's products or services;
- Members agree not to place the logo on their products;
- Members will indemnify and hold the organization harmless for any damages, including attorney's fees, incurred by the member as a result of use of the logo;
- Members agree to cease using the logo upon request of the board of directors or staff; and

- Members agree to pay the organization for all costs and attorney's fees incurred by the organization in any action against a member to enforce the terms of the license agreement.

Meeting Minutes

Minutes shall be recorded in writing for all meetings of the board of directors, including summary notes for executive sessions. Minutes shall be recorded in a manner as to reflect the actions, motions and statements of the board, without recording superfluous discussions. Committees with authority shall keep meeting minutes and provide them to the board or staff within 10 days of meeting.

Minutes shall be distributed to members of the board of directors within 30 days of the meeting. If any audio or video recording was made of the meeting, it shall be destroyed upon approval of the minutes. If distribution is by electronic means or posted to a website, the file shall be in the format of a PDF to protect against unauthorized editing.

Original Works and Intellectual Property

Full transfer of ownership to any or all logo, graphic, corporate identity and/or company image designs will be transferred to the association in writing upon final payment in full of any balances owed.

Public Records

The board of directors follows all laws regarding access to public records. To that end, the association ensures access to IRS related public records to anybody who requests said records. Reasonable copying costs may be charged. Other records are not considered public. Members in good standing may request documents and the board will consider each request and the nature with how they will be shared while maintaining the integrity of the corporation.

Record Retention

The organization shall adopt a record retention – document destruction schedule detailed as recommended by a CPA or attorney, and customized to reflect the needs, activities and documents of the organization. Staff shall have authority organize hard copy and computer document files and remove outdated documents. The policy shall apply to digital documents as well as hard copies. No documents shall be destroyed that reflect the history of the organization.

Savings Reserve

The organization shall maintain a reserve sufficient to ensure that operations can continue for at least six months should unexpected expenses arise or catastrophe occurs. The formula shall be an amount equal to six months of the annual operating budgeted income. The six-month savings may not be spent down without approval of

75 percent of the board. In any motion where reserves are expended, there shall be a plan developed to replace the expended funds within a specific timeframe.

Strategic Planning

The board will govern strategically, with a focus on advancing the mission and long-term thinking to benefit the membership (profession or industry.) Discussions at the board table will be framed by a strategic plan adopted or amended every three to five years. Board members are responsible for understanding and updating the plan.

Whistleblower

The board of directors remains open to receiving information that may bring awareness to an issue or problem occurring amongst leadership, chapters and/or staff. In that light, no person shall take any action of retaliation against any person, including interference with employment, for providing accurate information to the board or to legal authorities relating to a problem or concern in the association. If whistleblower information is reported to the board, a committee will be convened, with legal counsel, to evaluate the issue and make a recommendation to the board of directors.

Note: Policy samples. Be sure to rely on legal, accounting and professional counsel when adopting policies.

Appendix

Policy Development Template

Policy Development Template

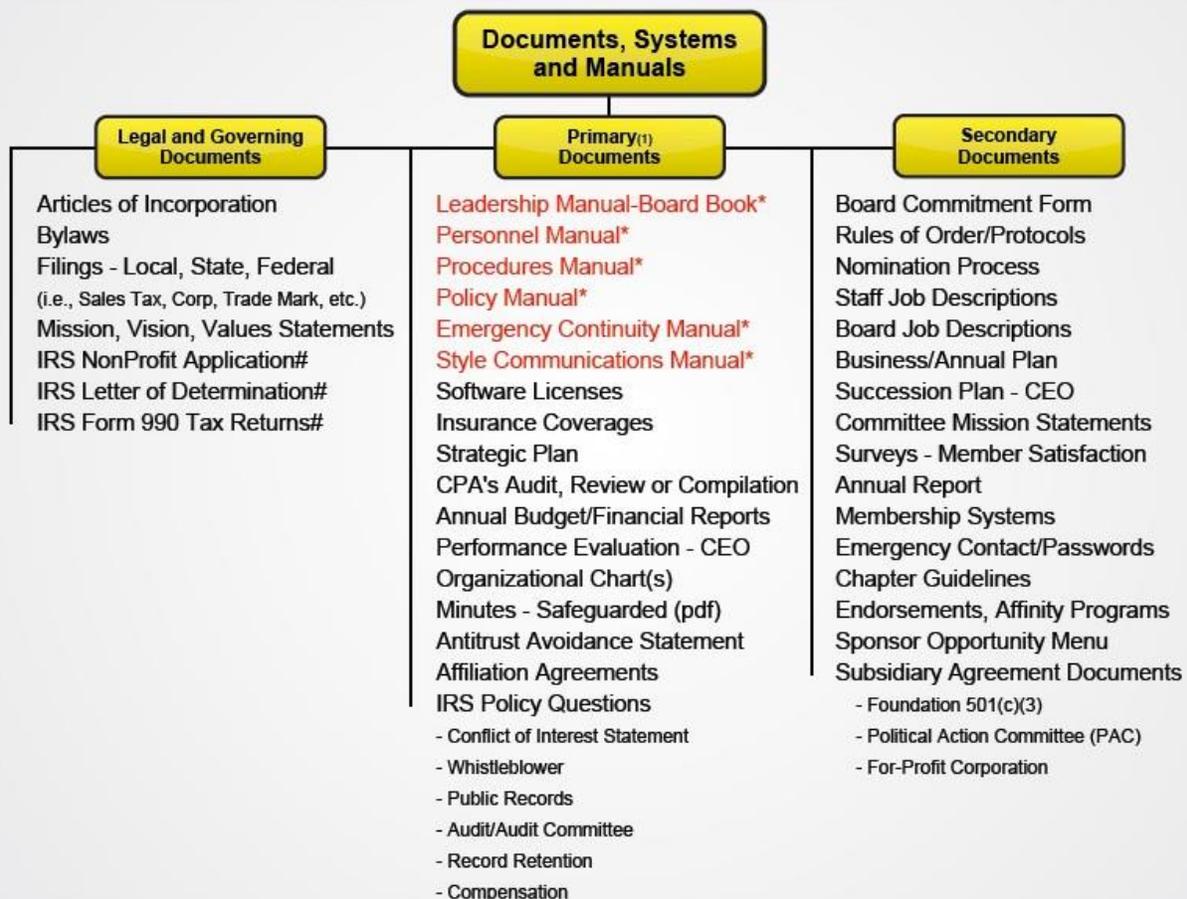
	Policy
Title of the Policy	
The Policy Statement	
Rationale for Adopting the Policy	
Date of Adoption (and Subsequent Amendments)	
Policy Implementation Steps	<p><i>(The steps or procedures are <u>staff driven</u> and not a concern of the governing body. While they are not a part of the policy adoption process, they are identified here because nearly every policy results in processes for staff.)</i></p> <ol style="list-style-type: none">1.2.3.4.

Policy Development Template 4-12.docx

Operating Framework for an Association

Operating Framework – Business Model

There are more than 1 million nonprofit organizations in the U.S. Development and maintenance of an operating framework promotes efficiency, creates systems, reduces risk and sets up training manuals. Systems remove uncertainty and discretion – promoting excellence in service and ensuring sustainability.



Footnote 1 – Indication of primary and secondary refers to the order in which the documents are likely to be created; it does not mean that secondary documents are less important than primary or legal documents. *Indicates recommended operating manuals.

Indicates public record documents; IRS help-line 877 829 5500.

Bob Harris, CAE, is the creator of the Association Self-Audit Process Manual® to improve performance and reduce risk. He offers seminars, strategic planning, board training and association audits. Many of the referenced documents and descriptions herein are available free at www.nonprofitcenter.com.

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