

Conflict of Interest Policy

Adopted May 5, 2010

1. This conflict of interest policy is designed to help officers, other volunteers, and employees of the Chapter identify situations that present potential conflicts of interest and to provide the Chapter with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though an officer, other volunteer, or employee has or may have a conflict of interest with respect to the transaction. This policy is intended to comply with applicable statutory provisions governing conflicts of interest for directors of nonprofit corporations. In the event that there is an inconsistency between the requirements and procedures prescribed herein and those in an applicable statutory provision, the statutory provision shall control.

Definitions

2.1 “Covered Person” means any person serving as an officer, committee or other volunteer group member, or employee.

2.2 “Family Member” means a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Covered Person.

2.3 “Financial Interest” means a financial or pecuniary interest of any kind, that, in view of all the circumstances, is substantial enough that it would affect, or could reasonably be perceived by others to affect, the Covered Person’s or Family Member’s judgment with respect to transactions to which the Chapter is a party. This includes all forms of compensation. For purposes of this policy, an ownership interest of less than three (3) percent in a publicly traded company shall not, by itself, constitute a Financial Interest.

2.4 “Representative” means a director, officer, agent, partner, consultant, trustee, or representative.

2.5 “Transaction” means any agreement, relationship, or business dealing involving: the sale or purchase of goods, services, or rights of any kind; providing or receiving a loan or grant; or the establishment of another type of pecuniary relationship. The making of a gift to the Chapter is not a Transaction.

Conflicts of Interest

3. For purposes of this policy, each of the following circumstances shall be deemed a conflict of interest:

3.1 Outside Interests: a Transaction involving the Chapter and a Covered Person or Family Member; and a Transaction involving the Chapter and an entity in which a Covered Person or Family Member has a Financial Interest, or of which such person serves as a Representative.

3.2 Outside Activities: a Covered Person competing with the Chapter in the rendering of services or the provision of goods; and a Covered Person having a Financial Interest in, or being a Representative of, an entity that competes with the Chapter.

Procedure

4.1 Prior to Executive Committee action on a Transaction involving a Conflict of Interest, an officer, committee or other volunteer group member, or employee having a Conflict of Interest shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

4.2 The person having a Conflict of Interest shall not participate in discussion of the matter by the Board or committee except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

The person having a Conflict of Interest shall not vote on matters relating to the Transaction. Such person's ineligibility shall be reflected in minutes of the meeting.

4.3 In the event that it is unclear whether a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chapter President or his/her designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy. In making this determination, the Chapter President or his/her designee may seek the advice of counsel or other third parties.

4.4 Covered Persons who are not members of the Executive Committee, or who have a Conflict of Interest with respect to a Transaction that is not the subject of Executive Committee action, shall disclose such conflict to the Chapter President or his/her designee. The Covered Person shall refrain from any action that may affect the Chapter's participation in such Transaction.

Gifts, Gratuities, Entertainment, and Honoraria

5. A Covered Person or Family Member shall not accept gifts, entertainment, or other items of gratuity in excess of fifty (\$50) dollars in value from an individual or entity that: (i) does or is seeking to do business with the Chapter; (ii) is a competitor of the Chapter; or (iii) has received or is seeking to receive a loan, grant, or other financial commitment from the Chapter.

Procurement

6. It shall be the Chapter's policy not to make sole-source awards of contracts for the procurement of goods and services where the recipient of the contract is: (i) a Covered Person; or (ii) a company or entity in which the Covered Person has a Financial Interest. The procurement of goods or services from any of the foregoing persons or entities shall be undertaken only through an open and competitive process involving the evaluation of proposals or bids by an impartial evaluator. Covered Persons participating in such competitive process shall also adhere to all other applicable provisions of this Conflict of Interest policy.

Document Retention Policy

Adopted May 5, 2010

1. The corporate records of the Chapter are important assets. Corporate records include essentially all records produced by the Chapter's representatives, whether paper or electronic. A record may be as obvious as a memorandum, an email, a contract, or a case study or something not as obvious, such as a computerized desk calendar, an appointment book, or an expense record. The Chapter is required to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject the Chapter and its representatives to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the Chapter in contempt of court, or seriously disadvantage the Chapter in litigation.

2. The Chapter expects all trustees, officers, committee members, other volunteers, and employees to comply fully with any published records retention and destruction policies and schedules. However, all such persons should note the following general exception to any stated destruction schedule:

Exception: *If any individual believes or is informed by the Chapter that the Chapter's records are relevant to litigation or potential litigation (i.e., a dispute that could result in litigation), then such individual must preserve those records until the Chapter determines that the records are no longer needed. This exception supersedes any previously or subsequently established destruction schedule for those records. If this exception is believed to apply or there is any question regarding the possible applicability of that exception, the individual should contact the Chapter's Secretary or Treasurer. All document retention periods described below are subject to this exception.*

3. From time to time, the Chapter may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance and also to accomplish other objectives, such as preserving its tax-exempt status and cost management. Senior staff will be held accountable for proper execution of the Chapter's document retention and destruction policy, including failure to adopt, distribute, or enforce the document retention policy.

4. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention identified above, as well as any other pertinent factors. If a document falls within more than one category, it should be maintained for the longer of the periods that are described in those categories.

Tax Records

4.1 Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of deductions, business costs, accounting procedures, and Chapter revenues. Tax records should be retained for at least seven (7) years from the date of filing the applicable return. However, tax returns, tax worksheets, and depreciation schedules should be kept permanently.

Employment Records/Personnel Records

4.2 State and federal statutes require the Chapter to keep certain recruitment, employment, and personnel information. The Chapter should also keep personnel files that reflect performance reviews and any complaints brought against the Chapter or individual employees under applicable state and federal statutes. The Chapter should also keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee's personnel file. Employment and personnel records (including timesheets, personnel files of terminated employees, and payroll records and summaries) should be retained for seven (7) years. However, employment applications should be retained for three (3) years.

Executive Committee and Audit Committee Materials

4.3 Meeting minutes should be retained in perpetuity in the Chapter's minute book. Minute books, bylaws, and charter documents should be kept permanently. A clean copy of all other Executive Committee and Audit Committee materials should be kept for no less than three (3) years.

Press Releases/Public Filings

4.4 The Chapter should retain permanent copies of all press releases and publicly filed documents under the theory that the Chapter should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the Chapter.

Legal Documents

4.5 Legal counsel should be consulted to determine the retention period of particular legal documents. In general, all documents of legal significance, such as deeds, mortgages, documents of title, etc., should be kept and maintained permanently. All other legal documents (e.g., settlement agreements, judgments) should be maintained for a period of ten (10) years. All records related to the Chapter's legal obligations and maintenance of the Chapter's nonprofit status, including withholding statements, should be kept and maintained permanently in readily available form.

Insurance Documents

5.6 Insurance records, accident reports, and claims records should be kept permanently, with the exception of expired insurance policies, which should be kept for three (3) years after expiration.

Contracts and Related Documents

5.7 Execution copies of all contracts, notes, and leases entered into by the Chapter should be retained for at least seven (7) years beyond the life of the agreement and longer in the case of publicly filed contracts. Final copies of marketing and sales documents should be kept for three (3) years. However, invoices, inventories, and accounts payable ledgers and schedules should be kept for seven (7) years.

Development/Intellectual Property and Trade Secrets

5.8 Development documents are often subject to intellectual property protection in their final form (e.g., patents, trademarks, and copyrights). The documents detailing the development process are often also of value to the Chapter and are protected as a trade secret where the Chapter: (i) derives independent economic value from the secrecy of the information; and (ii) has taken affirmative steps to keep the information confidential. The Chapter should keep all trademark registrations, copyrights, patents, and documents designated as containing trade secret information permanently.

Corporate Audit Records

5.9 All records and work papers (whether in print or electronic format) related to audits and audit reviews, including documents that form the basis of an audit or review, expense analyses, expense distribution schedules, memoranda, correspondence, communications, and other documents and records that are created, sent, or received in connection with an audit or review should be retained for no less than seven (7) years from the end of the fiscal period in which the audit or review was concluded. Audit reports and year-end financial statements should be kept permanently. Internal audit reports and bank statements should be kept for at least three (3) years and bank reconciliations and duplicate deposit slips should be kept for at least two (2) years. Destruction of documents related to corporate audit records is punishable by civil and criminal penalties.

6. Failure to comply with this Document Retention Policy may result in disciplinary action and in the case of an employee, suspension or termination. Questions about this policy should be referred to the Secretary or Treasurer.

Joint Venture Policy

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1. This policy requires that the Chapter evaluate its participation in any joint venture arrangements under federal tax law and take steps to safeguard the Chapter's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to undertake jointly a specific business enterprise, investment, or exempt-purpose activity as further defined below.

Joint Ventures or Similar Arrangements with Taxable Entities

2. For purposes of this policy, a joint venture or similar 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 the Chapter 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) Ninety-five (95) percent or more of the venture's or arrangement's income for its tax year ending within the Chapter's tax year is excluded from unrelated business income taxation (including but not limited to: dividends, interest, and annuities; royalties; rent from real property and incidental related personal property except to the extent of debt financing; and gains or losses from the sale of property); and
- b) The primary purpose of the Chapter's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

Safeguards to Ensure Exempt Status Protection

3. The Chapter will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Chapter's exempt status is protected; and (b) take steps to safeguard Chapter's exempt status with respect to the venture or arrangement. Some examples of safeguards include:

3.1 Control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the Chapter;

3.2 Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;

3.3 Requirements that the venture or arrangement not engage in activities that would jeopardize the Chapter's exempt status; and

3.4 Requirements that all contracts entered into by the Chapter be on terms that are arm's length or more favorable to the Chapter.

Whistleblower Policy

Adopted May 5, 2010

1. Consistent with the establishment of an independent Audit Committee, it is necessary for the Chapter to institute procedures in accordance with federal law for the receipt, retention, and treatment of complaints received by the Chapter regarding accounting, internal controls, or auditing matters; and the submission of concerns regarding questionable accounting or audit matters by employees, officers, and other stakeholders of the Chapter, on a confidential and anonymous basis. The Chapter expects officers, committee members, other volunteers, and employees (“Representatives”) to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. Representatives of the Chapter must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

2. Representatives of the Chapter have an obligation to report in accordance with this Whistleblower Policy questionable or improper accounting or auditing matters and violations and suspected violations of applicable laws and regulations (hereinafter collectively referred to as “Concerns”).

Authority of Audit Committee

3. All reported Concerns will be forwarded to the Audit Committee in accordance with the procedures set forth herein. The Audit Committee shall be responsible for investigating and making appropriate recommendations to the Executive Committee with respect to all reported Concerns.

No Retaliation

4. This Whistleblower Policy is intended to encourage and enable Representatives of the Chapter to raise Concerns within the Chapter for investigation and appropriate action. With this goal in mind, therefore, no Representative who, in good faith, reports a Concern shall be subject to retaliation or, in the case of an employee, adverse employment consequence. Moreover, a volunteer or employee who retaliates against someone who has reported a Concern in good faith is subject to discipline up to and including dismissal from volunteer position or termination of employment, respectively.

Reporting Concerns by Employees

5. Employees should first discuss their Concern with their immediate supervisor. If, after speaking with his/her supervisor, the individual continues to have reasonable grounds to believe the Concern is valid, the individual should report the Concern to the Chapter President. In addition, if the individual is uncomfortable speaking with his/her supervisor or the supervisor is a subject of the Concern, the individual should report his/her concern directly to the President.

6. If the Concern was reported verbally to the President, the reporting individual, with assistance from the President, shall reduce the Concern to writing. The President is required to report the Concern promptly to the chair of Audit Committee, which has specific and exclusive responsibility to investigate all Concerns. If the President, for any reason, does not promptly forward the Concern to the Audit Committee, the reporting individual should directly report the Concern to the chair of the Audit Committee. Concerns may also be submitted anonymously in writing to the chair of the Audit Committee.

Reporting Concerns by Officers and Other Volunteers

7. Officers and other volunteers should submit Concerns in writing directly to the chair of the Audit Committee.

Handling of Reported Violations

8. The Audit Committee shall address all reported Concerns. The chair of the Audit Committee shall immediately notify the Audit Committee and the President of any such report. The chair of the Audit Committee will notify the sender and acknowledge receipt of the Concern within five business days, if possible. It will not be possible to acknowledge receipt of anonymously submitted Concerns.

All Concerns will be promptly investigated by the Audit Committee, and appropriate corrective action will be recommended to the Board of Trustees, if warranted by the investigation. The Audit Committee has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the Concerns.

Acting in Good Faith

9. Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice or a violation of applicable laws and regulations. The act of making allegations that prove to be unsubstantiated and that prove to have been made maliciously, recklessly, or with the foreknowledge that allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from volunteer position or termination of employment. Such conduct may also give rise to other actions, including lawsuits.

Confidentiality

10. Reports of Concerns, and investigation pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of Concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from volunteer position or termination of employment. Such conduct may also give rise to other actions, including lawsuits.