

## **POLICIES**

The Internal Revenue Service (" IRS") recognizes the Corporations as a tax exempt 501(c3) organization and as such the Corporation files an annual Form 990 with the IRS. At its September 17, 2009 Board Meeting the Board adopted the following policies to comply with revised IRS requirements for Form 990 effective for the 2009 filing season.

### **1) Conflict of Interest Policy**

The Board shall annually establish through a questionnaire completed by each Board member that a majority of the Board Members and their immediate family members (defined as a parent, spouse or child) meet the following criteria:

- a) Are not compensated as an employee of IED or any related entities (if any); and,
- b) Did not receive compensation or other payments of more than \$10,000 from IED and related entities (other than reimbursed expenses) within the year; and,
- c) Did not engage in any sales, leases, licenses, or the performance of services with IED, whether initiated during the current year or is ongoing from a prior year.

### **2) Whistleblower Policy**

It is the policy of IED to: (1) encourage staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of IED; (2) protect the person from retaliation; and (3) identify, where such information can be reported.

- a) Encouragement of reporting. IED encourages complaints, reports or inquiries about illegal practices or serious violations of IED's policies, including illegal or improper conduct by the IED itself by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies.
- b) Protection from Retaliation. IED prohibits retaliation by or on behalf of IED against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. IED reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.
- c) Where to report. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis of the complaints, reports or inquiries. They should be directed to the IED's Chairman of the Board of Directors; if this person is implicated in the complaint, report or inquiry, it should be directed to the Vice President of the Board of Directors. The IED will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the IED may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.

### 3) Document Retention and Destruction Policy

This Document Retention and Destruction Policy of IED identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of IED's documents and records.

- a) **Rules.** IED staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with IED) are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Executive Director of IED; (b) all other paper documents will be destroyed after three years; (c) all other electronic documents will be deleted from all individual computers, databases, networks, and back-up storage after one year; and (d) no paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.
- b) **Terms for retention.**
  - i) Retain permanently:
    - (1) Governance records- Charter and amendments to By laws, other IED documents, governing board and board committee minutes.
    - (2) Tax Records - Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence files related to tax audits.
    - (3) Intellectual property records - Copyright and trademark registrations and samples of protected works.
    - (4) Financial records- Audited financial statements, attorney contingent liability letters.
  - ii) Retain for ten years:
    - (1) Pension and benefit records \* Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies and supporting records.
  - iii) Retain for three years:
    - (1) Employee/employment records- Employee names, address, social security numbers, and dates of birth, INS Form I-9, resume/application materials, job descriptions, dates of hire and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, time/payroll records, leave/comp time/FMLA, engagement and discharge correspondence, documentation of basis for independent contractor status (retain for all current employees and independent contractors and for three years after departure of each individual).
    - (2) Lease, insurance, and contract/license records, software license agreements, vendor, hotel and service agreements, independent contractor agreements, employment agreements, consultant agreements, and all other agreements (retain

during term of the agreement and for three years after the termination, expiration, and non-renewal of each agreement).

iv) Retain for one year:

(1) All other electronic records, documents and files – Correspondence files, past budgets, bank statements, publications, employee manuals/policies procedures, survey information.

c) **Exceptions.** Exceptions to these rules and terms for retention may be granted only by IED's Board Chairman.

#### **4) Policy on the Process for Determining Compensation**

This Policy on the Process of Determining Compensation of IED applies to the compensation of the following persons employed by IED:

IED's Executive Director

The process includes all of these elements: (1) review and approval by the board of directors or compensation committee of IED; (2) use of data as to comparable compensation and (3) contemporaneous documentation and recordkeeping.

- a) Review and approval. The compensation of the person is reviewed and approved by the board of directors or compensation committee of IED, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
- b) Use of data as to comparable compensation. The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.

Contemporaneous documentation and recordkeeping.

There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

#### **5) Joint Venture Policy:**

This Joint Venture Policy of IED requires that IED evaluate its participation in joint venture arrangements under federal tax law and take steps to safeguard IED'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.

- a) 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 IED 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:

- i) 95% or more of the venture's or arrangement's income for its tax year ending within IED's tax year is excluded from unrelated business income taxation [including but not limited to: (1) dividends, interest, and annuities; (2) royalties; (3) rent from real property and incidental related personal property except to the extent of debt-financing; and (4) gains or losses from the sale of property]
  - ii) The primary purpose of IED's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.
- b) Safeguards to ensure exempt status protection. IED will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that IED's exempt status is protected; and (b) take steps to safeguard IED's exempt status with respect to the venture or arrangement. Some examples of safeguards include:
- i) Control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the organization;
  - ii) Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
  - iii) That the venture or arrangement not engage in activities that would jeopardize the Organization's exemption; and
  - iv) That all contracts entered into with the organization be on terms that are arm's length or more favorable to the Organization.

## **6) Review Process for the annual Form 990**

The Executive Committee of the Board will review the Form 990 prior to filing and will advise each voting member of the governing body of their ability to request a copy prior to its filing with the IRS.