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## POLICY I

### DEFINITION

Policies and Procedures are those procedures and regulations which govern the Keys 2 Success operations which are not otherwise provided for in the Bylaws. Policies and Procedures may be adopted and/or amended by a two-thirds vote of the Board of Directors (the “Board”) as prescribed in the Bylaws. Unless otherwise specified, Policies and Procedures take effect immediately upon passage. The Staff and Volunteers shall be informed of all changes in the Policies and Procedures and current revisions shall be kept on file on the Keys 2 Success Board Shared Google Drive.

As per [Article IV, Section 5](#) of the Bylaws, notices and/or anything required to be sent to the Board in writing, text messages, or email, including but not limited to calls for votes.

## POLICY II

### ADMINISTRATIVE STRUCTURE AND PROCEDURES

#### A. BOARD OF DIRECTORS

The Board shall provide governance to Keys 2 Success, steward and protect its mission to provide music education to children Pre-K through High School in Newark, while representing the organization to the community and accepting ultimate legal authority for it . The Board is further responsible for financial policies, supervision, investment policy, selection of financial institutions for deposit of funds, and authorization of necessary persons to sign checks. Board members report to fellow board members and officers and are accountable to the general public. Specific duties of Board Members are described in [Policy III](#); discuss boundaries between ED and Board wrt financials, management, etc.

Board member positions are unpaid. No member of the Board is eligible for a paid position in K2S Staff. Any Board member may resign from the Board prior to accepting a paid position.

Board composition should reflect the student community, including proportional numbers of Black, Latino/a, male, and female members. The Board shall function as a brain trust for the Executive Director, bringing specific skills in the areas of law, language, finance, human resources, non profit development, marketing and public relations, corporate community outreach. Individuals with established relationships in the fields of religious organizations, higher education decision makers, foundations, mass media, and/or government are also of special interest. At least one Board Member must be a member of the Junior League of Summit. Board members must have at least 6 months of prior volunteer experience with Keys 2 Success.

Board to evaluate the Executive Director annually by March.

#### B. MANAGEMENT TEAM

The Management Team shall be responsible for the operations of the organization. It shall present to the Board all proposed major program activities for ratification. The Management Team comprises the Executive Director (who sits on the board) and the Staff Members. This management body is meant to

oversee all operations of the organization.

Executive directors have a reciprocal responsibility to support the board chair in delivering the mission. In addition, executive directors play an important role in keeping the board chair informed on issues such as risk management and updates on operations. The Executive director must spend at least 20% of their hours in the classroom.

The Executive Director is to evaluate staff and volunteers annually by March.

#### C. COMMITTEES

A committee shall consist of a group of area citizens informed as to the Organization's purpose and programs who are available upon call to perform functions associated with said committee including meetings, task implementation, advice, guidance, and ideas.

The committee shall consist of 4-5 members, made up of majority Board Members, and be led by a Board Member. Non-Board members can be nominated to the committee by current Board Members and approved by the current Board. Nominations can occur at any time during the fiscal year, and be discussed/approved by the Board at the next scheduled Board meeting.

New committees can be proposed by either the Board or the Management, and must be approved by the Board.

Each Committee shall represent a distinct function that is closely aligned with the objectives of the Organization.

There shall be Committees with the following names and functions:

1. The Governance Committee shall assess, develop, monitor, perpetuate, renew and ensure effective governance for the organization. It is responsible for reviewing and updating the By-Laws and Policies and Procedures. In addition, it shall decide which candidates to forward to the rest of the Board
2. The Development Committee shall research, develop, review, evaluate Grants and other funding sources that are available to the organization. In addition, it shall make recommendations on future financial planning and fundraising endeavors.

### **POLICY III**

#### **BOARD MEMBER DUTIES**

##### **A. GENERAL DUTIES**

1. Planning
  - Approve the organization's mission and strategic plan and regularly review the Board's and management's performance in achieving its mission, strategic plan and goals.
  - Annually assess the environment and design and approve the organization's strategy in relation to it
  - Be assured that the status of organizational strength and manpower planning is equal to the requirements of both short and long range goals
  - Annually review and approve the organization's plans for funding its strategy

- Review and approve the organization's multi-year financial goals
- Annually review and approve the organization's budget
- Maintain an updated Executive Director/senior leadership succession plan

## 2. Organization

- Select, monitor, appraise, advise, support, and when necessary, change the Executive Director
- Approve all policies
- Approve compensation schedule and benefit policies and practices
- Approve major actions of the organization, such as capital expenditures, major program, and service changes

## 3. Fundraising

- Drive the development of a strategic plan that identifies budget requirements, and then determine appropriate fundraising goals
- Develop diversified fundraising strategy and priorities, policies and approaches
- Cultivate potential donors
- Assist in asking donors for gifts
- Monitor and evaluate fundraising campaigns
- Contribute an unrestricted gift of an amount of personal significance

## 4. Finance and Audit

- Review and approve an annual budget that supports the work of the organization and ensures that it is sufficiently resourced
- Plan for financial sustainability
- Be assured that the Board is adequately and currently informed - through reports and other methods - of the condition of the organization and its operations
- Be assured that published reports properly reflect the operating results and financial conditions of the organization
- Establish appropriate policies to define and identify conflicts of interest throughout the organization, and is diligently administering and enforcing those policies
- Hire independent auditors subject to approval by the board
- Review compliance with relevant material laws affecting the organization
- Be certain that the financial structure of the organization is adequate for its current needs and its long-range strategy

## 5. Board

- Be an engaged and responsible Board member
- Attend all Board meetings
- Execute the role of organizational ambassador

## 6. Requirements

- Passion for the mission of the organization
- Time to commit at least 5 hours a month to perform the job
- Minimum of 40 hours experience as a volunteer for the organization

- Documented commitment to execute the role and responsibilities of Board member for this organization
- Absence of any conflict of interest with the organization
- Willingness and ability to play a leadership role in this organization

## B. SPECIFIC RESPONSIBILITIES OF BOARD OFFICERS

### 1. Board Chair

- Oversee Board meetings
  - Work in partnership with Executive Director to make sure Board resolutions are carried out
  - Call special meetings if necessary
  - Assist Executive Director in preparing agenda for Board meetings
- Act as an alternate spokesperson for the organization
- Oversee searches for a new chief Executive Director
- Coordinate Executive Director's annual performance evaluation
- Evaluates nominating process, orientation program and Board development needs
  - Analyze current Board and identify areas of strength and weakness, considering technical skills and personal talents needed to complement Board diversity
  - Review job descriptions
  - Coordinate recruitment of new Board members for nomination, including interviewing prospective Board members and preparing a slate of candidates for Board nomination
  - Assist Executive Director in conducting new Board member orientation
- Periodically consult with Board members on their roles and help them assess their performance
- Coordinate regular review and revision of strategic plan with Board and Executive Director
  - Assure the creation of evaluation processes for the organization's programs
- Make recommendations concerning the expansion, maintenance or curtailment of programs

### 2. Board Vice Chair

- Attend all Board meetings
- Carry out special assignments as requested by the Board chair
- Understand the responsibilities of the Board chair and be able to perform these duties in the chair's absence
- Participate as a vital part of the Board leadership

### 3. Board Treasurer

- Attend all Board meetings
- Maintain knowledge of the organization and personal commitment to its goals and objectives
- Understand financial accounting for nonprofit organizations
- Serve as a financial officer of the organization
  - Work with the Executive Director to prepare and oversee the implementation of an annual fundraising/resource development plan. The plan should include a diversified funding mix of special event, membership, direct mail and special program funding from individuals, community groups, corporations and foundations

- Oversees the development of special fundraising programs for capital, planned giving, and endowment programs
  - With Board chair, clearly assigns Board fundraising tasks and organizes Board for fundraising activities. Recommends fundraising subcommittee formation as needed
  - Arranges for Board training and development in the area of fundraising
  - Manage the Board's review of and action related to the Board's financial responsibilities
  - Work with the Executive Director to ensure that appropriate financial reports are made available to the Board on a timely basis
  - Assist the Executive Director in preparing the annual budget (including sources of funding) and presenting the budget to the Board for approval
  - Review the annual audit (tax forms and license approval) and answer Board members' questions about the audit
4. Board Secretary
- Attend all Board meetings
  - Maintain all Board records and ensure their accuracy and safety
  - Review Board minutes
  - Assume responsibilities of the chair in the absence of the Board Chair and Vice Chair
  - Provide notice of meetings of the Board

## **POLICY IV**

### **FISCAL POLICIES**

#### **A. FISCAL YEAR**

Keys 2 Success fiscal year shall be from July 1 through June 30

#### **B. FINANCIAL UPDATES AND TRANSPARENCY**

The organization's budget and financial reports (including budget vs. actual, profit and loss, balance sheet, and cash flow), an overview of the organization's activities shall be reported to the Board on a monthly basis. The Annual 990 filing shall be made public by posting it on the website.

#### **C. RELATING TO PURCHASES AND SERVICES**

The lowest cost for all goods purchased and services rendered shall be sought. Major expenditures (amounts exceeding \$2,000) shall require at least three bids. In situations where the lowest bid is not accepted, prior consultation with the Treasurer is necessary. If further resolution is required, the Board has final approval. In situations where it is not possible or practical to obtain three bids, expenditure may be undertaken with prior approval of the Board.

#### **D. AUTHORITY TO SIGN CHECKS**

1. The following officers are authorized to sign Keys 2 Success checks: President, Treasurer, Executive Director.
2. Each May the Board will move to authorize the people newly elected to the above positions to sign

checks.

3. Pursuant to this motion the Executive Director will obtain and complete a new corporate resolution form and new signature cards. The corporate resolution will be filed in the Keys 2 Success Board shared Google drive.
4. Two signatures are required on a check above \$2,500.

#### E. GIFT ACCEPTANCE POLICY

1. Gifts will be accepted from individuals, corporations, foundations, and other entities in accordance with Keys 2 Success' mission and values.
2. Keys 2 Success will not accept gifts restricted to specific individuals or contingent upon the organization taking specific actions or providing particular benefits to the donor.
3. The Board and Staff of Keys 2 Success reserves the right to refuse any gift that is not in the organization's best interest or that would require the organization to engage in activities outside of its mission.
4. Keys 2 Success will respect the privacy of its donors and will not share or sell their personal information to third parties.
5. Gifts of appreciated securities, real estate, or other non-cash assets, including but not limited to crypto currency or other alternative forms of currency will be evaluated for acceptance based on a case-by-case basis.
6. Keys 2 Success will maintain accurate and up-to-date records of all gifts received and will use donated funds in accordance with the donor's intent and the organization's mission.
7. The use of designated financial and in-kind gifts will be reviewed annually to confirm that gifts are used according to the donor's intent and aligned with Keys 2 Success mission and values.
8. The organization will comply with all applicable laws and regulations related to gift acceptance, including IRS regulations for tax-exempt organizations.
9. The organization will conduct due diligence on any proposed gift of one- thousand dollars and above, to ensure that it is appropriate and in compliance with all laws and regulations.

#### F. RELATING TO THE RECEIPT OF FINANCIAL GIFTS

1. All financial donations must be recorded accurately and promptly:
  - The Executive Director is responsible for receiving donations and recording them in the Keys 2 Success QuickBooks account.
  - The Office Manager is responsible for recording the donation in Keys 2 Success Salesforce Donor Database and depositing them in the bank.
2. A formal donation receipt will be issued for every financial gift received, indicating the date, amount, and donor name, as well as the organization's tax identification number.
3. All donation records must be reviewed for accuracy monthly.
4. QuickBooks and Salesforce data are reconciled for accuracy after the last day of each month.
5. A detailed donor report (donor name, number of gifts, gift amounts) is reviewed with the Board on a quarterly basis to monitor for unusual donation patterns or irregularities, such as an unusually high number of small donations from the same individual or entity.
6. Background checks are conducted every 3 years on staff members and volunteers who handle financial gifts.

#### G. RELATING TO THE RECEIPT OF IN-KIND GIFTS



All in-kind donations must be recorded accurately and promptly in the organization's records, including a description of the item, its estimated value, and the donor's name.

1. A formal donation receipt will be issued for every in-kind gift received, indicating the date, description of donated item, donor name, as well as the organization's tax identification number.

#### H. RELATING TO FUNDRAISING

When the Development Committee perceives the need beyond its original budget for fundraising, the following procedure should be used.

1. The requesting group will present an outline of its fundraising plan to the Development Committee Chair and Executive Director for initial review. Any fundraisers requiring more than \$2,000 in expenses require a budget amendment and Board approval.
2. Restricted donations or contributions of cash, goods or services with a monetary value exceeding \$10,000, must be assessed by the Development Committee Chair and the Executive Director based upon feasibility of the plan. The Development Committee Chair and Executive Director will send the proposal to the Board then the Board will vote on the final approval of the plan.
3. The Development Committee Chair and Executive Director will monitor all fundraising to ensure that no individual, business, foundation or corporation is improperly or over solicited.
4. All proceeds from fundraising plans will become part of the funds of Keys 2 Success unless otherwise indicated in the fundraising plan and specifically exempted by the Board or specifically designated by the donor.

#### I. CASH RESERVES AND INVESTMENT POLICY

1. Keys 2 Success should maintain as a target, a cash reserve equal to three to six months of operating expenses.
2. Keys 2 Success' annual budget will include plan to build reserves
3. The organization will invest cash reserves in low-risk, liquid instruments such as money market funds or certificates of deposit.
  - up to 25% of the reserves in CD's
  - invest \$500 a month in low-risk index funds (~0.5% of reserves)
4. The Executive Director will report monthly to the board of directors on its cash reserves, including the amount of cash on hand, the level of reserves, and any changes to the reserve policy.
5. Reserves may be used for planned operational costs only.
6. The reserves will be replenished by setting aside a portion of future general operating revenue for the purpose of rebuilding reserves. Reserves must be replenished to its original level within a 12-month timeframe.
7. New unplanned projects which require special funds will follow policies and procedures outlined in the previous section "Relating to Fundraising"

### **POLICY V**

#### **AMENDMENTS**

- A. Bylaws and Policy and Procedures amendments can be proposed by any Board Member or the Executive

Director.

- B. Amendments are submitted first to the Secretary for wording clarification to ensure that the amendment is not in conflict with Keys 2 Success policy or the organization's tax-exempt status or New Jersey Nonprofit Corporation Act to determine whether other Bylaw amendments are required to maintain consistency or whether the proposed amendment is in conflict with other existing Bylaws.
- C. Passage of any amendment requires approval by a two-thirds vote of the Board.

## **POLICY VI**

### **PUBLIC INFORMATION AND COMMUNICATIONS**

- A. All forms of media (press releases, video, radio, pamphlets, website content, social media etc.) where the name of Keys 2 Success is used, must be approved, in advance if possible, by either the Executive Director or their designee. All correspondence relating to Keys 2 Success must be approved, in advance by the Executive Director or their designee.
- B. Team members (volunteers or staff) may use the Keys 2 Success media outlets as a vehicle to post information about non Keys 2 Success- events/activities. Postings are at the discretion of the Executive Director or their designee. An email may be sent to [communications@keysnewark.com](mailto:communications@keysnewark.com).
- C. In addition to postal mail, email, and text messaging are acceptable forms of communication. Board Members may use postal mail or [email](#) to communicate matters such as change of status (including resignation). Resignations and change of status shall be saved in the Board Shared Google Drive.

## **POLICY VII**

### **BOARD MEETINGS**

#### **A. QUORUM AND VOTING**

Quorum of Keys 2 Success Board Meeting shall consist of two-thirds of the Board members. Having established the prescribed quorum, a two-thirds vote of those voting shall be required to pass any measure or to carry any vote.

#### **B. VOTING PROCEDURE**

- 1. Procedure at meeting:
  - Motion is placed on the floor
  - A second to the motion is acknowledged
  - Discussion is open to the floor
  - Take voice vote
- 2. Procedures for e-mail or text vote if a voting meeting is not possible and is not required:
  - Motion, name of seconder and related presentation sent to all Board members via email at least three days prior to vote.
  - E-mail or text votes are sent to the entire Board via a Google form.
  - The Board Secretary will tally votes in a google sheet in the Keys 2 Success Shared Google Drive in a folder under Board meetings. The results will be recorded in the same sheet.

- The Board President will announce results of the vote via email.

## **POLICY VIII**

### **STUDENT DEMOGRAPHICS & EL SISTEMA**

#### **A. STUDENT DEMOGRAPHICS**

Keys 2 Success services shall be primarily designed for students from the most marginalized communities, including but not limited to students who live in public housing. The environment must encourage inclusion of LGBTQ and minority religious groups.

#### **B. EL SISTEMA NJ ALLIANCE**

The Executive Director or their designee shall be sent as delegate to the meetings of El Sistema of New Jersey Alliance (ESNJA). El Sistema is an alliance of organizations in which we participate by attending their events and meetings.

## **POLICY IX**

### **WHISTLEBLOWER POLICY**

#### **A. GENERAL**

Keys 2 Success requires its directors, officers, employees, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As directors, officers, employees, and volunteers of Keys 2 Success, we must comply with all applicable laws and regulations and practice honesty and integrity in fulfilling our responsibilities.

The matters which should be reported under this policy include suspected fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, misuse of the Key 2 Success' assets or suspected regulatory, compliance, or ethics-related issues, concerns or violations.

This policy is not a vehicle for reporting violations of the Keys 2 Success' applicable human resources policies, problems with co-workers, managers, or board members, or for reporting issues related to alleged employment discrimination or sexual or any other form of unlawful harassment, all of which should be dealt with in accordance with the Employee Handbook of Keys 2 Success, as it is those Policies and Procedures that are applicable to such matters.

#### **B. REPORTING RESPONSIBILITY**

It is the responsibility of all directors, officers, employees, and volunteers to report violations or suspected violations of high business and personal ethical standards and/or applicable legal requirements (all such hereafter called Violations) in accordance with this Whistleblower Policy.

#### **C. NO RETALIATION**

No director, officer, employee, or volunteer who in good faith reports a Violation shall suffer harassment, retaliation or (if applicable) adverse employment consequences. An employee or volunteer who retaliates against someone who has reported a Violation in good faith is subject to discipline up to and including

termination of employment or engagement, and a Board member who retaliates against someone who has reported a Violation in good faith is subject to discipline up to and including termination of Board membership. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns to seek resolution. Reporting Violations: Questions, concerns, suggestions, or complaints regarding the ethical and legal standards noted above should be addressed directly to the President, or to the Secretary if regarding the President.

**D. NAME/TITLE OF PERSON TO WHOM VIOLATIONS ARE REPORTED**

The President, or the Secretary if regarding the President is responsible for investigating and resolving all reported complaints and allegations concerning the ethical and legal standards noted above and shall advise the Board, if they deem it appropriate, the senior staff person, of all such complaints and allegations. They are required to report to the full Board at least annually regarding such complaints and allegations.

**E. ACCOUNTING AND AUDITING MATTERS**

The Board shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing brought to its attention. The President shall immediately notify the Board of any such complaint and work with the Board until the matter is resolved.

**F. ACTING IN GOOD FAITH**

Anyone filing a complaint concerning a violation or suspected violation of the ethical and legal standards noted above must act in good faith and have reasonable grounds for believing the information disclosed may indicate a violation of such standards. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense, subject to and including termination of employment, engagement, and/or as a member of the Board.

**G. CONFIDENTIALITY**

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

**H. HANDLING OF REPORTED VIOLATIONS**

The President, or the Secretary if regarding the President, will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

**POLICY X**

**CONFLICT OF INTEREST POLICY**

**A. PURPOSE**

The purpose of the conflict of interest policy is to protect the interest of Keys 2 Success, Inc. (the "Organization") when it is contemplating entering into a transaction or arrangement that might benefit

the private interest of an officer or trustee of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## B. DEFINITIONS

1. **Interested Person.** Any trustee, officer, or member of a committee with Board of Trustees (the "Board") delegated powers, who has a direct or indirect financial interest, as defined below, is an payinterested person.
2. **Financial Interest.** A person has a financial interest if the person possesses, directly, or indirectly, though business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
  - b. A compensation arrangement (which includes direct and indirect remuneration as well as gift or favors that are substantial) with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation agreement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

A financial interest is not necessarily a conflict of interest. As set forth in the following section (Procedures), a person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

## C. 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 trustees and members of committees with Board delegated powers 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, such person 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.** An interested person may make a presentation at the Board or committee meeting, but after the presentation, such person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board or committee shall determine whether the Organization 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. 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 trustees whether the transaction or arrangement is in the Organization'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 Conflicts of Interest Policy.** 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. 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.

#### D. RECORD OF PROCEEDINGS

The minutes of the Board and all committees with Board delegated powers shall contain: (i) The names of the persons who disclose 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 Board's or committee's decision as to whether a conflict of interest in fact existed; and (ii) 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.

#### E. COMPENSATION

For information regarding compensation see [Section IV.16](#) in the by-laws

#### F. ANNUAL STATEMENTS

Each trustee, officer and member of a committee with Board delegated powers shall annually sign a google-form statement which affirms such person (i) has received a copy of the conflicts of interest policy, (ii) has read and understands the policy, (iii) has agreed to comply with the policy, and (iv) understands that the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

#### G. PERIODIC REVIEWS

To ensure the Organization operates in a manner consistent with charitable 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 (i) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining, and (ii) whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**POLICY XI****DOCUMENT RETENTION AND DESTRUCTION POLICY****A. PURPOSE**

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding. This policy provides for the systematic review, retention and destruction of documents received or created by Keys 2 Success in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form (including electronic documents), contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate Keys 2 Success' operations by promoting efficiency and freeing up valuable storage space.

**B. DOCUMENT RETENTION**

Keys 2 Success follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

**Corporate Records**

Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
By-laws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years

**Accounting and Corporate Tax Records**

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
General Ledgers	Permanent
IRS 990 Tax Returns	Permanent
Business Expense Records	7 years
IRS 1099s	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records (box office, concessions, gift shop)	5 years
Petty Cash Vouchers	3 years

Cash Receipts	3 years
Credit Card Receipts	3 years

**Bank Records**

Check Registers	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years

**Payroll and Employment Tax Records**

Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax return	7 years
W-2 Statements	7 years

**Employee Records**

Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion or Discharge	7 years after termination
Accident Reports and Worker's Compensation Records	5 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 Forms	3 years after termination
Time Cards	2 years
Donor Records and Acknowledgement Letters	7 years
Grant Applications and Contracts	5 years after completion

**Legal, Insurance and Safety Records**

Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Insurance Policies	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination

**C. ELECTRONIC DOCUMENTS AND RECORDS**

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above



schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

D. EMERGENCY PLANNING

Keys 2 Success' records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping Keys 2 Success operating in an emergency will be duplicated or backed up at least every week and maintained off site.

E. DOCUMENT DESTRUCTION

Keys 2 Success' Executive Director is responsible for the ongoing process of identifying its records, which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

F. COMPLIANCE

Failure on the part of employees or contract staff to follow this policy can result in possible civil and criminal sanctions against Keys 2 Success and its employees or contract staff and possible disciplinary action against responsible individuals. The Treasurer will periodically review these procedures with legal counsel or Keys 2 Success' certified public accountant to ensure that they are in compliance with new or revised regulations.