KIWANIS INTERNATIONAL FOUNDATION POLICIES

(Revised October 2015)

A. DEFINITIONS

1. POLICY

A policy is a basic principle by which the Kiwanis International Foundation Board guides the affairs and organization of Kiwanis International. (7/14)

2. PROCEDURE

A procedure is an established method or manner by which the Bylaws, and policies of the Kiwanis International Foundation are implemented. (7/14)

3. THE FOUNDATION AND FOUNDATION BOARD

Unless otherwise noted, "the Foundation" shall refer to the Kiwanis International Foundation and "the Foundation Board" shall refer to the Kiwanis International Foundation Board of Trustees. (7/14)

B. RELATIONSHIP WITH OTHER KIWANIS ENTITIES

1. KIWANIS INTERNATIONAL

a. Kiwanis International and the Kiwanis International Foundation, although separately constituted, are closely aligned by Bylaw and Policy provisions. Full cooperation between the two organizations is necessary for total success. (7/14)

b. The ongoing success of the relationship between Kiwanis International and the Foundation depends upon the complete understanding on the part of both organizations of the implications of their IRS designations as 501(c)(4) and 501(c)(3) organizations, respectively. (7/14)

c. The Foundation will actively support the Objects, goals, purposes, and objectives of Kiwanis International and establish compatible fundraising programs to enhance the Foundation's fundraising ability. The Foundation shall distribute grants solely for Kiwanis-related activities or for activities that support the Objects, purposes, and objectives of Kiwanis International. (7/14)

d. No Foundation officer or board member shall, by virtue of his/her position, automatically become a member of any board or other official body of Kiwanis International, a district, or a club. (7/14)

e. Because each member of a Kiwanis club is also a member of the Foundation, Kiwanis International and the Foundation shall work together to promote an understanding of the Foundation. (7/14)

f. The Kiwanis International Board and the Foundation Board shall conduct a joint meeting at least once each year.

g. As a means of maintaining mutual understanding and cooperation between the Boards of Trustees of Kiwanis International and the Kiwanis International Foundation, a Joint Committee shall be established and maintained, consisting of the Kiwanis International President, Immediate Past President, President-Elect, and Vice-President and the Kiwanis International Foundation President, Immediate Past President, President-Elect, and Treasurer. Except when acting as the Performance Review Committee for the Executive Director, the Kiwanis International President shall be Chairman, with the same voting privileges as other members. (7/14)

   The Joint Committee shall annually perform the appraisal of the Executive Director in accordance with Kiwanis International Procedure.

   The Joint Committee may consider other matters of mutual interest to both organizations and is authorized to make recommendations to either or both boards.

   The Joint Committee shall meet at the call of the Kiwanis International President, but in no event less than twice per administrative year. Ten (10) days advance notice shall be given for committee meetings. A majority of members shall constitute a quorum for the transaction of business, and a majority vote shall be necessary to approve actions. (7/14)

h. The Foundation Board determines the location of its offices. With the approval of the Kiwanis International Board, the Foundation office may be located in the Kiwanis International office building.

i. When the Foundation office is located in the Kiwanis International office building, the Foundation shall, whenever possible, use the services of Kiwanis International and reimburse Kiwanis International for such services at costs mutually agreed-upon. If services required by the Foundation cannot be provided by Kiwanis International within the required time, Foundation may use other providers. (7/14)

j. The Staff of Foundation will operate under the same policies and shall have access to the same benefits and activities as the Staff of Kiwanis International. (7/14)

k. The Foundation will be assigned the fundraising responsibility to fulfill the Kiwanis International Global Campaign for Children. (7/14)

2. KIWANIS DISTRICTS

a. **District Governors-Elect:** The District Governor-elect is encouraged to: (7/14)

(1) Submit a nomination to the Foundation by September 30 of the person they wish to serve as District Chair for the Foundation. (7/14)

(2) Establish and publicize goals for their year as Governor for the district to support the Foundation in the following ways: (7/14)

- Encourage 100% participation of district clubs in Annual Club Gift Campaign;
- Recognize at least one of the following in each division: new George F. Hixson Fellow, new Tablet of Honor recipient, and new Heritage Society member;
- Recognize at least one new Kiwanis Leadership Society member in each club.
(7/14)

b. District Governors: The District Governor is encouraged to: (7/14)

(1) Meet the goals established while Governor-elect. (7/14)

(2) Promote giving to the Foundation at each of the following events: (7/14)

- District Convention, via a workshop and presentation of George F. Hixson and Tablet of Honor recognition
- Mid-year meeting or Zone Conference
- Visits to the divisions
(7/14)

(3) Allow Foundation District Chair to publicly report at the District Convention and other District Meetings and at each District Board Meeting. (7/14)

(4) Personally become a member of the George F. Hixson Fellowship and the Heritage Society. (7/14)

c. Kiwanis International Foundation District Chairs: The duties and responsibilities of the district chairs shall be as follows: (7/14)

d. **District Committee:** The district chair shall secure one member from each division to constitute the Kiwanis International Foundation District Committee, and shall communicate with members regularly. (7/14)

e. **Training:** All North American District Chairs should attend the annual training at the expense of the Foundation. (7/14)

f. **Education and Promotion:**

- Publish a district bulletin article in each edition
- Present a program on the Foundation to each new club
- Promote the Foundation using materials provided to you by the Foundation
- Promote use by clubs of all recognition vehicles offered by the Foundation (7/14)

(1) Fund Raising and Recognition:

- Encourage individual giving by members
- Annual Club Gift Campaign — 100% participation by clubs
- One new Kiwanis Leadership Society member in each club annually
- Recognize one new Heritage Society member in each division (7/14)

(2) Reports:

- Maintain records of all programs in the district
- Communicate with Foundation Staff, as requested
- Communicate to the District Board at each board meeting (7/14)

(3) Lieutenant Governors/Division: Encourage Lieutenant Governors to reach their goals. (7/14)

(4) Conventions:

- At the District Convention, organize a Foundation display/booth and a workshop and present Tablets of Honor, George F. Hixsons Fellowships, and other recognition.
- If possible, attend the Kiwanis International Convention, assist in the Foundation Booth, and attend the Honors Reception (7/14)

C. BOARD OF TRUSTEES

1. ORIENTATION AND TRAINING

a. A training session for new Board Members will be held prior to the first meeting of the Foundation Board. Newly appointed Board Members will be invited to the District Chairs training as part of their orientation, at the expense of the Foundation. (7/14)

b. In the event a new Board Member is named after the first meeting of the Foundation Board, the new member should receive a training session prior to the first Board meeting he/she will attend. (7/14)

2. ETHICS AND ACCOUNTABILITY

a. Conflict of Interest

On matters of conflict of interest, the Kiwanis International Foundation Board of Trustees adopts and shall adhere to the same rules and processes as those utilized by Kiwanis International, provided that, as such processes are used by the Foundation, each reference to "a Kiwanis International officer" shall be interpreted to mean "any member of the Kiwanis International Foundation Board of Trustees." (See Reference Addendum for Kiwanis International Procedure 196 – Conflict of Interest.) (10/11) (1/15)

b. Code of Ethics and Conduct (3/13)

(1) To ensure the confidence of clubs and members and the reputation of Kiwanis International and its Foundation among the public and to fulfill the Board's role of stewardship and leadership to the organization, the Kiwanis International Foundation expects all members of the Board to conduct themselves according to the highest ethical, professional, and moral principles. Each Board member and appointed committee chairman shall annually acknowledge, by signature, that he/she has read, understands, and accepts personal responsibility to adhere to the standards of conduct stated in this policy. (3/13)

(2) Each Board member shall, to his/her utmost ability: (3/13)

- Personally comply with all applicable laws and regulations, as well as the Kiwanis International and Kiwanis International Foundation Bylaws, Policies, and Procedures;
- Never knowingly allow the Kiwanis International Foundation to violate any applicable laws and regulations;

- Act with integrity, honesty, and trustworthiness and not engage in unethical practices, deceive others, or misrepresent Kiwanis and its Foundation in any business dealings;
- Treat others equitably, fairly, and with respect and not engage in any form of discrimination or harassment;
- Be loyal to Kiwanis International, its Foundation and its mission, above any loyalty to a particular individual or group of individuals;
- Demonstrate care for clubs and club members and the communities they serve, including the highest regard for the safety, health, and welfare of the public;
- Make responsible decisions for the future of the organization, ensuring Kiwanis International Foundation resources are prudently managed and expended;
- Practice transparency and accountability to clubs, members, and the public;
- Not use the name of Kiwanis, its Foundation or their Board position for personal benefit or advantage;
- Help create a cooperative and productive working environment at Board meetings and other Kiwanis functions;
- Respect and protect any privileged or confidential information, including the private information of members and donors, and support the final decisions of the Board;
- Fulfill the duties of office to which they are elected and not attempt to exercise individual authority outside the purview of his/her office;
- Interact with Staff in a professional and respectful manner, following agreed channels of communication and authority;
- Not engage in any conduct that would tarnish the good reputation of Kiwanis or undermine the public's trust.
  (3/13)

(3) Alleged violations of these standards of conduct shall be reported to the Executive Director, who shall inform the Executive Committee. If the Executive Director and Executive Committee determine that further investigation is warranted, the process shall be conducted in the same manner as violations of conduct unbecoming, as defined elsewhere in policies. (3/13) (1/15)

c. Pledge of Service

(1) No fundraising quotas are set for members of the Kiwanis International Foundation Board, nor any rigid standards of fundraising measurement or achievement. Each Trustee will be asked to annually sign a pledge that they are fully committed to the vision and the work of the Foundation and that they are dedicated to fulfilling the Foundation's mission to assist Kiwanis International in "Serving the Children of the World." (3/13)

(2) Each Foundation Board member is expected to:

- Be committed to the Foundation's mission and work to ensure that the Foundation has the necessary funds to fulfill its mission.
- Learn as much as possible about the organization to better understand its work, its community outreach, and its vision for the future.
- Financially support the Foundation by personal giving.
- Be a role model for others to follow.
- Actively engage in fundraising in whatever ways most effectively serve the purposes of the Foundation, which may include introduction to potential donors, individual solicitation, writing personal letters, and participating in special events.
- Be an enthusiastic partner and a positive advocate for the mission of the Foundation.
- Attend board meetings, be available for phone consultation, and serve on at least one special committee.
- Consider their work with and for the Foundation to be among their top priorities. (7/14)

3. RESPONSIBILITIES

a. The Foundation Board shall establish and implement the Mission of the Foundation, which is: "to Assist Kiwanis International in Serving the Children of the World." (7/14)

b. The Foundation Board shall develop and implement a Strategic Plan for the Foundation and review the plan regularly, updating it as may be appropriate. (7/14)

c. The Foundation Board shall assure the stability and growth of the Foundation corpus. (7/14)

d. The Foundation Board shall distribute and monitor funds from the corpus in accordance with the following principles: (7/14)

- The Foundation shall act within the restraints placed upon it as a designated 501(c)(3) organization by the United States Internal Revenue Service (IRS).
- In regard to restricted funds, the Board shall assure that the provisions established when such funds were given to the Foundation are carried out in every detail.
- In approving investments, the Board shall adhere to its investment policies and procedures. (7/14)

e. The Board shall be continually aware of the cost of operations including total income and total administrative expenses. The goal is to keep the administrative costs at the lowest point possible consistent with the needs of the Foundation in carrying out its functions. (7/14)

f. The Board shall keep the Foundation membership informed and promote an understanding among all members of the role of the Foundation in its relationship with Kiwanis International. (7/14)

g. The Board is responsible for maintaining a good working relationship with KI. The Board shall be guided by the concepts stated in the policies of both Kiwanis International and the Foundation, as these concepts relate to the overall relationships between the two organizations. (7/14)

h. The Foundation Board shall annually assess Foundation's performance and effectiveness; formally evaluate its success and impact in fulfilling its mission, goals and objectives; and determine such future actions as are necessary to accomplish its mission. To assist it in performing these duties, the Board shall receive a written report at its Annual Meeting from the Performance Assessment Committee, as constituted elsewhere in these Policies. (7/14)

i. The Board shall approve an annual budget outlining projected expenses for major program activities (grants, programs and education), fund raising, and administration. (7/14)

4. OPERATIONS

a. **Consent to E-Mailed Notices:** If a member of the Foundation Board provides the Executive Director with an e-mail address, then that Board member consents to receive all official notices from the Foundation by e-mail at that address. If an official notice is sent and transmission can be confirmed, that Board member will be presumed to have received and read that e-mail, unless an auto-reply or similar response indicates the Board member does not have regular access to email and thus may not have read it. Board members should promptly notify the Executive Director of an email address change. At any time, upon written notice to the Executive Director, any Board member may nullify his or her consent to receive notices by e-mail. (7/14)

b. **Board Meeting Minutes:** The Executive Director or other person who acts as the secretary for any meeting or other proceeding of the Board must keep accurate minutes of the meeting, including Board members who attended and voted. (7/14)

5. EXPENSE REIMBURSEMENT (4/11)

a. For attendance at Board meetings or other authorized assignments, the members of the Foundation Board, other authorized personnel and Foundation salaried personnel shall be entitled to:

- Per diem for meals at the same rate as that used by Kiwanis International
- Air travel at the lowest available fare or automobile travel at a per-mile rate equal to that allowed by the U.S. Internal Revenue Service, not to exceed the cost of air coach transportation between the same points
- Parking
- Airport shuttle fare
- Hotel room costs including tax and telephone charges
- Tips
  (7/14)

b. When invited to attend meetings of the Kiwanis International Council, the Foundation will pay the same expenses for the Foundation President. (7/14)

c. Trustees-elect will be invited to attend the annual Board Meeting of the Foundation at the International Convention as an observer without reimbursement of expenses. (4/11)

d. When meals are provided by the Foundation, alcoholic beverages shall not be included as a Foundation expense. (10/08)

6. AIR TRAVEL

a. **Authorized Class of Service -** The authorized class of service for Foundation business is the lowest available fare, including ancillary fees (i.e., baggage fees). (7/14)

b. **Acceptable Reasons for Refusal -** Travelers should request and accept the lowest available fare offered at the time requested. Acceptable reasons for refusal may include:

c. Scheduled times of meetings do not coincide with available flight times.

d. Layover time exceeds three hours or is less than one hour.

- Type of aircraft.
- Personal health reasons (requires prior approval). (7/14)

e. **Frequent Flyer Programs -** All travelers are encouraged to register for and participate in frequent flyer programs that may reduce the cost of travel for Kiwanis International and increase the convenience and comfort for the traveler. (7/14)

f. **Extension of Travel to Obtain Cost Savings -** A trip should not be extended only to take advantage of a lower fare, unless the savings would total more than the cost of added hotel and meal expenses. (7/14)

7. CONDUCT UNBECOMING A MEMBER OF THE FOUNDATION BOARD

On matters of 'conduct unbecoming a member of the Kiwanis family,' the Kiwanis International Foundation Board of Trustees adopts and shall adhere to the same definition and the same rules and processes as those utilized by Kiwanis International, provided that, as such rules apply to the Foundation, each reference to "a Kiwanis International officer" shall be interpreted to mean "any member of the Kiwanis International Foundation Board of Trustees." (See Reference Addendum for the definition of 'conduct unbecoming' and Kiwanis International Procedure 103 – Kiwanis International Officer Accused of Conduct Unbecoming.) (1/15)

D. COMMITTEES

The Foundation Bylaws provide that: (1) Foundation shall have the standing committees listed in this policy; (2) the Foundation Board may authorize special committees. All committees shall report to the Board at such times and on such topics as listed in their duties or as otherwise requested by the Board. Each committee member should be familiar with the responsibilities of the committee(s) to which he or she is assigned. Committee work may be necessary between Board meetings. The president shall be an ex-officio member of all board committees. (7/14)

1. STANDING COMMITTEES

a. Executive Committee (11/14)

Between meetings of the Board, if the need arises, the administrative authority of the Board is delegated to the Executive Committee on all matters. The action of the Executive Committee shall have full force and effect. Any action by the Executive Committee, unless disapproved by the Board, shall be formally ratified by the Board. This delegation of authority shall not include the right to waive or change policy.

The Executive Committee shall have such other duties as provided in the Foundation's Bylaws or elsewhere in these policies. (7/14)

b. Development Committee

The duties of the Development Committee shall be to: (7/14)

- Consider programs compatible with the Foundation's purpose and mission, which could further strengthen the financial or public relations status of the Foundation. (7/14)
- Review national and international research on fundraising strategies and programs that could improve the funding of the Foundation.
- Evaluate internally produced statistics regarding donor demographics, fundraising program results, and focus group feedback that can help guide future efforts.
- Study the relationship between the Foundation and District Foundations in order to continually improve it.
- Assist in educating Kiwanians about giving and philanthropy.

c. Finance Committee

The Treasurer shall be Chairman of the Finance Committee. (7/14)

The duties of the Finance Committee shall be to: (7/14)

Review the preliminary budget for the next fiscal year as prepared by the Executive Director and revise and modify it as needed. Present the budget to the Kiwanis International Foundation Board for review at its Annual Meeting. (7/14)

- At the first Board meeting of the fiscal year, present to the Board the budget for their approval. (7/14)
- Make a quarterly analysis of the budget and request appropriate adjustments. (7/14)
- Oversee investments on a continuing basis. (7/14)
- Make a full report on income and expenses to each meeting of the Foundation Board, with projections as appropriate.
- Work continually with the Executive Director and Chief Operating Officer on financial matters.
- Compare administrative costs to total income and make any necessary recommendations to the Board. (7/14)
- Supervise the handling of restricted funds and the interest there from. Assure the Board that all provisions delineated when each fund was established are being carried out.

d. Grants Committee (10/15)

The duties of the Grants Committee shall be to:

- Define the criteria for awarding unrestricted grants.
- Set the schedule for the consideration of all grant requests, review requests for unrestricted grants and make funding recommendations to the board. (7/14) (10/15)

e. Nominating Committee

The duties of the Kiwanis International Foundation Nominating Committee shall be to recommend candidates for the offices of Trustee, Treasurer, President-elect, and President for the following administrative year. (7/14)

(1) Appointment of Trustees (7/14)

The Nominating Committee shall gather the names of Trustee candidates through a variety of methods, including consultation with Kiwanis International officers, soliciting nominations from current and past board members, and possibly requesting nominations from Kiwanis International Board members and district governors. (7/14)

Nominees recommended to the Board should possess the following qualities: (7/14)

- A leader capable of putting the Foundation first.
- Experience in service to the world.

- A demonstrated interest in and enthusiasm for the work of the Foundation.
- A goal-oriented, creative, flexible person with leadership qualities and a vision of the potential for the development of the Foundation.
- The capabilities for presidential leadership.
- Demonstrated generosity and the willingness to contribute to the Foundation.
- An understanding of not-for-profit management. (7/14)

The committee shall recommend three nominees for Trustee to the Kiwanis International Foundation Board no later than the second Board meeting of the year. (Per the bylaws, new Trustees are appointed by the Board at its second meeting of the year.) (7/14)

(2) Appointment of Officers (7/14)

The Kiwanis International Foundation Nominating Committee shall assess potential candidates for Treasurer, President-elect, and President from among all members of the Board and recommend one nominee for each office no later than the Board's annual meeting, but preferably by the Board's second meeting. (Per the bylaws, officers for the following administrative year are appointed by the Board at its annual meeting.) (7/14)

f. Strategic Planning Committee

The duties of the Strategic Planning Committee shall be to: (7/14)

- Be responsible for long-range planning for the Foundation.
- Monitor progress in achieving the goals of the strategic plan.
- Review the strategic plan with the Board and staff at least once each year, at the second meeting of the Board.
- Make recommendations to the Foundation Board for adjustments to the strategic plan, as the committee deems advisable. (7/14)

g. Bylaws and Policies Committee (10/12)

The duties of the Bylaws and Policies Committee shall be to: (7/14)

- Draft proposed amendments to the Bylaws and Policies when requested to do so by the Foundation Board, the Executive Committee, or the President.
- Regularly review the Foundation's governing documents and recommend such amendments as may be necessary to accurately maintain them in accordance with Foundation practices. (7/14)

h. Performance Assessment Committee

The Committee shall be composed of three (3) members, including one (1) member from each of the three classes of Trustees, each of whom shall continue to serve on the Committee during the remainder of his or her term as a Trustee. Each year, the President shall appoint a first-year Trustee to the committee. (7/14)

The duties of the Performance Assessment Committee shall be to: (7/14)

- Annually assess Foundation's performance and effectiveness.
- Formally evaluate Foundation's success and impact in fulfilling its mission, goals and objectives.
- Recommend future actions to help accomplish Foundation's mission.
- Submit a written report to the Foundation Board at the Board's annual meeting.
  (7/14)

The elements of the written report to be submitted by the Committee shall include: (6/13)

- Identification of measurable goals and objectives;
- Consideration of how well identified goals and objectives conform with the Foundation mission;
- If possible, measurement of the satisfaction of those who benefit from Foundation's programs;
- Analysis of the effectiveness of Foundation's activities in fulfilling Foundation's stated mission, goals and objectives;
- Recommendations for future actions that Foundation might take based on the findings of the assessment.
- What measures to take (if any) if the intended goals and objectives are not met.
  (6/13)

i. Executive Director Performance Review Committee

The Joint Committee of Kiwanis International and the Kiwanis International Foundation, as defined elsewhere in Policy, shall act as the Performance Review Committee for the Executive Director, with the Immediate Past President of Kiwanis International acting as Chairman. (7/14)

Annually, the committee will review and approve the Executive Director's goals for the coming administrative year, which shall be compatible with the goals of the Kiwanis International Board and Foundation Board. (7/14)

Annually, the committee will conduct a formal performance review with the Executive Director, appraising his/her performance as it relates to the goals previously agreed upon. The appraisal review shall be presented by the committee to the Kiwanis International Board for approval. A summary of key points will be shared with the Foundation Board. The annual appraisal shall be one of the factors considered in determining compensation adjustments, if any, which shall be determined by Kiwanis International. Each written appraisal, along with documentation of any compensation adjustments, will be placed in the Executive Director's personnel file maintained by the Human Resources Dept. The timing of the review process shall be as agreed by the Kiwanis International Board and Foundation Board. (7/14)

The foregoing does not prohibit the Performance Review Committee from discussing with the Executive Director his/her performance at any time during the administrative year. Any formal discussion will be documented and placed in the Executive Director's personnel file. (7/14)

2. SPECIAL COMMITTEES

The Foundation currently has the following special committees: (7/14)

- Past Presidents Committee
- Investment Committee
- Gift Acceptance Committee
  (7/14)

a. Past Presidents Committee

The Past Presidents Committee shall be composed of all persons who have served as President of the Foundation who remain a member of a Kiwanis club in good standing with Kiwanis International. The Committee's role shall be to assist the Foundation Board as requested and to maintain a fellowship of Past Presidents. The Committee shall be chaired by the most recent Past President not sitting as a member of the Foundation Board. The Committee shall meet at the International Convention and such other times as directed by the Foundation President. (7/14)

b. Investment Committee (10/11)

The Investment Committee shall be made up of three-five members. The President shall appoint the chair and other members of the committee, subject to the approval of the Foundation Board. The Committee shall be advised by the Foundation Treasurer. (7/14)

The duties of the Investment Committee shall be to: (7/14)

- Assist the Finance Committee with fiduciary oversight of the organization's investments by providing recommendations for prudent investment decisions regarding all restricted and unrestricted funds.
- Review the actions of counsel regarding investment advisor selection, retention, and termination
  (7/14)

c. Gift Acceptance Committee

The Foundation maintains a Gift Acceptance Committee which shall review all gifts of significant risk and requests for refunding gifts. (7/14)

The Gift Acceptance Committee (GAC) shall consist of the Foundation President, President-Elect, Treasurer, Immediate Past President, and Executive Director; and one Staff person designated by the Executive Director. (7/14)

The committee shall meet as necessary via telephone conference call, unless otherwise specified, to approve specific gifts and refund requests. (7/14)

All gifts of significant risk shall be documented by a written understanding between the donor and the Foundation, and must be approved by the Gift Acceptance Committee before the Foundation may accept the gifts. (7/14)

E. STAFF AND OFFICE OPERATIONS

1. PRESIDENT AND STAFF RELATIONSHIP

The goal is to effectively achieve the mission of the Foundation and Kiwanis International, operating the Foundation in the manner set forth in governing documents and according to the Foundation Board's directives. (7/14)

The relationship between the Executive Director and the President should be discussed and clarified annually. The following guidelines are suggested. (7/14)

a. The President-elect, in cooperation with the Executive Director, should establish a general schedule of action for the following year that allows Staff to plan ahead to accomplish both regular work and any areas of special emphasis. (7/14)

b. The Executive Director and Chief Operating Officer shall regularly apprise the President of key financial information. (7/14)

c. Comments and guidance from Staff to the President are encouraged. If a confidential relationship on any matter is needed, both parties shall maintain such. (7/14)

d. The Executive Director, assisted by the Chief Operating Officer, is responsible for directing and supervising Staff in their work. Requests from the President or other Board members for particular work by Staff shall be coordinated through the Executive Director or Chief Operating Officer. If the President or other Board member has a concern with Staff, it shall be brought to the attention of the Executive Director. (7/14)

2. EMPLOYEE ADMINISTRATION

The Executive Director shall employ qualified personnel, terminate the employment of employees, assign employees to positions and transfer employees to other positions. The Foundation Board shall be informed of changes in management personnel. (7/14)

The Executive Director shall be responsible for the staffing of the Foundation within the budget allocations for staff positions. The Executive Director will establish the specific duties, responsibilities, authority, qualifications, and accountability for each position. The Executive Director is responsible for the performance of Staff, delegating responsibility as warranted. (7/14)

The Executive Director shall strive to maintain harmonious and effective operations within the Foundation Office.

The Executive Director and Staff shall be responsible for the following: (7/14)

a. The Executive Director and designated Staff shall prepare the preliminary budget for the next fiscal year for presentation to the Foundation Board at its Annual Meeting. (7/14)

b. The Executive Director and designate Staff shall prepare all reports or other material requested by the President or Board. (7/14)

c. The Executive Director and designated Staff will keep the President informed immediately of any concerns or significant changes in the status of the Foundation, as well as any anticipated concerns in the relationship between the Foundation and Kiwanis International. (7/14)

d. In cooperation with the President, the Executive Director and designated Staff will prepare the agenda for the Board Meetings. (7/14)

e. The Executive Director and designated Staff will assist the President in preparation for all Convention events in which the Foundation is involved. (7/14)

f. The Executive Director and designated Staff will be responsible for the development of exhibits utilized at International Conventions or district conventions. (7/14)

g. The Executive Director and designated Staff will assure that any correspondence released over the President's signature is approved by the President. (7/14)

3. DOCUMENT RETENTION AND DESTRUCTION

a. The Foundation Board charges Staff to maintain a comprehensive document retention and destruction process for paper and electronic records relating to Foundation operations, in compliance with required practices and accepted standards for the subject area the documents or records pertain to (i.e., donor records, employment, finance, tax, legal, board actions, etc.). (1/12) (1/15)

b. Because it is a crime in the U.S. and many other nations to alter, cover up, falsify, or destroy any document or records with the intent of obstructing current or potential legal proceedings, all Foundation Board members, Staff, and volunteers should especially be aware of and comply with applicable laws regarding the preservation and provision of documents in the event of legal proceedings. (1/12) (1/15)

4. PROTECTION OF WHISTLE BLOWERS

The Foundation Board charges Staff to maintain a policy that provides an avenue for employees to raise concerns ("whistle blowers") with the assurance that they will be protected from reprisals or retaliation for raising those concerns in good faith. (11/14)

F. INVESTMENTS AND FINANCES

1. INVESTMENT FUND (10/11)

Permanent Note: No changes should be made to this policy without the express agreement of Merrill Lynch.

a. Mission: The purpose of the Investment Fund (the Fund) is to manage the assets entrusted to the Kiwanis International Foundation (the Foundation) to support its goals and objectives. Management of Fund assets should always reflect this purpose. Some of the Fund assets were endowed by designated donor gifts and are expected to exist in perpetuity, and therefore, maintaining purchasing power is one of the Fund's primary objectives. High volatility of investment returns should be avoided where possible. Through investment in a diversified portfolio, the investment advisor should employ a total return approach while managing risk and seeking consistency of investment performance. (2/14)

b. **Purpose:** The purpose of this policy is to assist the Kiwanis International Foundation Board of Trustees (the Board) in effectively planning, overseeing, monitoring, and evaluating the management of the Fund's assets, as defined in various sections of this policy, by: (2/14)

- Stating in a written document the Board's attitudes, expectations, objectives, and guidelines for the investment of assets; (2/14)
- Setting forth an investment structure for managing assets. This structure includes various asset classes, asset allocation policies, and investment approaches. In total, the structure is expected to produce adequate diversification and total investment return over a long-term horizon; (10/11)
- Establishing a stated spending policy for the Fund; (10/11)
- Providing guidelines for each investment portfolio so that all assets are managed in accordance with stated objectives; (10/11)
- Encouraging effective communications between the Board and service providers; (2/14)
- Establishing formalized criteria to monitor and evaluate service provider results on a regular basis; and (10/11)
- Complying with all applicable laws, rules and regulations and fiduciary, prudence and due diligence requirements. (10/11)

c. **Objectives:** The Board will manage the assets in a manner consistent with the provisions of this policy and applicable laws and regulations. The Board will maintain an aggregate asset allocation consistent with the minimum and maximum commitments that may be made in equities, fixed income, and other appropriate investments. The Board will approve the investment advisor and investment vehicles to secure professional management of each component of the investment mix. (2/14)

The objectives of the Fund have been established in conjunction with a comprehensive review of the Foundation's current and projected financial requirements. The objectives are: (2/14)

- To comply with applicable laws, rules and regulations and to meet fiduciary, prudence and due diligence requirements;
- To follow a stated spending policy; and
- To strive to expand the purchasing power of the Fund. (3/13)

The Board acknowledges that investment results are a critical component in achieving the Foundation's funding and financial objectives. (2/14)

d. Guidelines

(1) Time Horizon: The guidelines are based on an investment horizon of beyond 10 years. Interim fluctuations in the financial position of the Fund are to be expected and should be viewed in the context of the long-term objectives and strategies of the Fund. The Fund's strategic allocation is based on this long-term perspective. (3/13)

(2) Risk Tolerance: The Board acknowledges that some risk to the value of the Fund must be accepted in order to achieve the Fund's long-term investment objectives. (2/14)

The Board assessed the financial health and future growth prospects for the Foundation in determining the Fund's ability to accept risk in investment returns. The Board determined that the totality of the factors suggest that the Fund can tolerate interim fluctuations in market value and rates of return in order to achieve long-term objectives. (2/14)

The Board has identified the following risks, beginning with the risk of greatest concern and descending: (2/14)

- Loss of principal;
- Loss of purchasing power;
- Volatility of returns; and
- Liquidity/marketability of assets.
  (3/13)

(3) Performance: The Board has identified the following factors to be included in the evaluation of the portfolio: (2/14)

- Liquidity;
- Principal preservation;
- Preserving purchasing power;
- Satisfying annual distribution requirements;
- Growth in size of portfolio;
- Stability of returns from year to year;
- Avoiding underperformance vs. benchmarks; and
- Avoiding negative returns.
  (3/13)

The investment objective is a long-term rate of return on assets that approximates 7.0%. The target rate of return for the Fund is based on the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the policy as adjusted for current valuation and future expectations. (2/14)

(4) **Spending Policy:** In keeping with Indiana's current Uniform Prudent Management of Institutional Funds Act (UPMIFA), the net appreciation, realized and unrealized may be expended in an amount not to exceed 7% of the market value by the Board for the uses and purposes for which each fund was established. The Board will advise the investment advisor of the amount of expected distributions as soon as possible to enable the advisor to provide sufficient liquidity while maintaining the long-term investment program. To the extent permissible by UPMIFA, the annual distribution is determined based on a rolling average market value system. The Distribution Value is the average of the fair market value of the Fund as of the close of each of the preceding 12 calendar quarters, calculated as soon as reasonably possible following the close of each calendar year. Currently, the annual distribution is 5% of the calculated Distribution Value. All distributions will be made no later than the end of January of the subsequent fiscal year. (2/14) (10/15)

(5) **Asset Allocation:** The Board believes that the Fund's risk and liquidity postures are primarily a function of the asset mix. The Board reviewed the long-term risk, return, and correlation characteristics of various asset classes. The following asset classes were selected for inclusion in the asset mix since, as a group, they provide opportunity to pursue desired return objectives while offering diversification benefits: (2/14)

- Equities;
- Fixed Income;
- Alternative Investments; and
- Cash or Cash Equivalents
  (2/14)

The Fund's time horizon, risk tolerances, performance expectations, socially responsible investment policy, and asset class preferences were used to estimate an efficient Fund asset allocation. (3/13)

The target asset allocation ranges are: (2/14)

	Minimum	Maximum
Equity	40%	75%
Fixed Income	15%	50%
Alternative Investments	5%	30%
Cash or Cash Equivalents	1%	30%

(6) **Socially Responsible Investment:** The investment advisor will screen out corporations known to be substantial producers of alcohol, tobacco, and gaming. An exception to this policy would be considered only with the intent of initiating a shareholder action on corporate policies or in the event investments are in a commingled fund. This will lead to a more socially responsible portfolio, which is in line with the worldwide activities of the Foundation in promoting health and betterment of children. The Board understands that use of comingled funds, such as exchange traded funds (ETFs) and mutual funds (MFs), may be desired in order to maximize diversification within certain asset classes. Such investments will be permitted with the understanding that such funds cannot accommodate investment restrictions by sector. (2/14)

(7) **Rebalancing of Strategic Allocation:** Rebalancing within the targeted asset allocation for the various asset classes serves the purpose of maintaining the risk and expected return characteristics of the Fund within parameters set by the Board. Reallocations among asset classes shall reflect the following considerations: (2/14)

- The investment advisor will rebalance the portfolio within the asset allocation ranges stated herein when the risk and expected reward potential is perceived to be such that an asset class weighting should be tilted toward the approved policy maximum or minimum; and (3/13)
- The asset class weightings will not go outside the stated ranges without notification of the Board. (2/14)

e. Asset Class Guidelines

The Board believes that the objectives of the Fund are most likely to be achieved if superior asset class managers manage the portfolio. Since the total portfolio is expected to be broadly diversified with respect to asset classes, asset class managers and individual securities, each asset class manager is allowed latitude in selecting individual investments and in construction of its component of the total portfolio. (2/14)

(1) **Manager Performance:** The following factors should be used to evaluate manager performance, in order of importance from high to low: (3/13)

- Provide a consistent return over all time periods;
- Exhibit the characteristics of the appropriate benchmark;
- Outperform benchmarks on a risk adjusted basis; and
- Outperform peer managers on a risk adjusted basis (3/13)

(2) **Domestic Equities**: The Board's decision to invest in domestic equities is based on the expected benefits of investing in this higher returning asset class. Investments will be made in accordance with the following approved guidelines: (2/14)

- The domestic equity manager will manage an equity-oriented portfolio with exposure primarily to domestic securities. (3/13)
- Performance will be evaluated against a relevant style-oriented index. It is expected that each active portfolio will achieve a return over a full market cycle in excess of the index. (3/13)

(3) **International Equities:** The Board's decision to diversify internationally is based on expected benefits of improved return from an increased investment universe and reduced volatility. Investments will be in accordance with the following approved guidelines: (2/14)

- The international equity manager will manage an equity-oriented portfolio. This is not intended to preclude the tactical use of non-U.S. dollar denominated and dollar or non-dollar short-term investments maturing in 12 months or less. (10/11)
- The international equity portfolio will provide ex-U.S. exposure that meets the diversification objectives for international investments. (10/11)
- Currency exposure may be hedged into U.S. dollars or into other currencies in an amount not to exceed total investment (including cash) in any currency being hedged. (10/11)

Performance will be evaluated against a relevant style-oriented index. It is expected that each active portfolio will achieve a return over a full market cycle in excess of the index.
(3/13)

(4) **Fixed Income:** The Board's decision to diversify into fixed-income investments is based on the expectation that allocations to this asset class will: (2/14)

- Reduce volatility of the total fund;
- Provide liquidity for unanticipated cash needs; and
- Generate a relatively stable cash flow.
(3/13)

Performance will be evaluated against a relevant style-oriented index. It is expected that each active portfolio will achieve a return over a full market cycle in excess of the index. (3/13)

(5) **Alternative Investments:** Alternative Investments as an asset class can help reduce the overall volatility of a total portfolio. This is due to the fact that many alternative assets have low correlation or no correlation to traditional markets. Additionally, Alternative Investments may help improve a portfolio's total return over time. The Board understands that within these investments, alcohol, tobacco, and gaming sectors will not be able to be excluded. Performance will be evaluated against a relevant style-oriented index. It is expected that each portfolio will achieve a return over a full market cycle in excess of the index. (2/14)

(6) **Cash Equivalents:** A small cash reserve allocation will be maintained to help ensure that liquidity needs are met. (3/13)

f. Governance Guidelines

(1) **Performance Evaluation:** In an effort to maintain superior asset class managers, the Board will monitor each asset class manager relative to both an appropriate asset class index benchmark and a representative universe of peer managers. Ongoing peer rankings that are deemed to be unacceptable may lead to an evaluation of the suitability of the manager within the broad portfolio structure. (2/14)

(2) **Duties and Responsibilities of Investment Advisor:** The duties and responsibilities of the investment advisor retained by the Board include the following: (2/14)

- Manage Fund assets under its care, custody, and/or control in accordance with the policy objectives and guidelines set forth herein and also expressed in separate written agreements;
- Acknowledge and agree to their responsibility to comply with the policy set forth herein and as modified in the future; (11/14)
- Exercise investment discretion within the policy objectives and guidelines set forth herein and also expressed in separate written agreements;
- Promptly inform the Board in writing regarding all significant and/or material matters and changes pertaining to the investment of Fund assets and the ownership, management or financial stability of the investment managers; and
- Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Fund, including the responsibility to vote proxies related to the investment advisor's proprietary investment funds held in the Fund, unless voting responsibility has been otherwise reserved in writing by the Board or its designee. The advisor has the right hereunder to solicit proxy voting recommendations from an independent qualified party on matters that might involve potential conflicts of interest in the performance of the advisor's duties hereunder. Each manager shall keep detailed records

of its proxy and corporate actions voting activities and comply with all regulatory obligations.
(2/14)

(3) **Monitoring Investment Portfolios:** Quarterly performance will be evaluated to assess progress toward attainment of longer-term objectives. The Board understands that there are likely to be short-term periods during which investment performance results deviate from market and relevant style-oriented benchmarks. The Board's review of each portfolio will focus on:
(2/14)

- Adherence to policy guidelines;
- Material changes in the advisor's organization, investment philosophy and/or personnel;
- The Board's continuing confidence in the investment advisor; and
- Performance comparisons with appropriate benchmarks and peer group rankings.
  (2/14)

(4) **Policy Modifications:** The Board shall review specific investment objectives and guidelines stated herein at least once annually. The Board may modify this policy in whole or in part at any time. The Board shall communicate policy changes to the investment advisor in writing and shall obtain written acknowledgement of the changes from the advisor. All significant changes to this policy shall be signed by the current President and the Executive Director.
(2/14).

2. FUNDS

a. Endowment Program

The Foundation's Endowment Program is overseen by the Foundation's Board of Trustees, which is advised by its legal and financial counsel. These policies and guidelines will be reviewed and updated annually by Staff with guidance and assistance from the Foundation's legal and financial counsel. (7/14)

Subject to notice to the donor at the time of the establishment of an endowment, any unrealized gains or losses thereafter shall be credited to or debited from the value of the endowment. (1/09)

In order to create a named endowment fund, a minimum contribution of US$25,000 is required.
(1/09)

Any interest, dividends or realized gains generated from the investment of an endowment shall be temporarily restricted until used for the purposes for which the endowment was established.
(1/09)

b. Children's Fund (Annual Fund)

The Children's Fund (also known as the Annual Fund) is the primary source of unrestricted support for the programs of the Kiwanis International Foundation. The mission of the Children's Fund mirrors that of the Foundation: to assist Kiwanis International in serving the children of the world. (7/14)

c. Annual Transfer of Unrestricted Funds

Annually, if there is a reported deficit in the Unrestricted Fund balance as of September 30, Staff, in consultation with the Treasurer, shall transfer an amount from Temporary Funds designated for unrestricted purposes to the Unrestricted Fund balance. The amount will be sufficient to cover such deficit. Staff will report such transfer to the Foundation Board at the first Board meeting afterward. (11/14)

(For information on the Disaster Relief Fund, see Policy L – Special Campaigns.)

3. ACCOUNTING

a. Depositories

Foundation funds shall be deposited in specifically designated financial institutions in Indianapolis, IN, or surrounding area and in other countries if necessary. The designation shall be made by the Board by appropriate resolution and implemented by the Executive Director with duly designated signatures as required.

A change of depository previously named may be made by the Executive Committee when conditions indicate that a change is necessary in order to fully protect the assets of the Foundation or to more economically and efficiently serve the purposes of the Foundation.

b. **Signatories**

The President, President-Elect, Treasurer, Executive Director, Chief Operating Officer and the Chief Financial Officer (Staff) of Kiwanis International shall be authorized signatories for the Foundation's depository accounts.

Two signatures are required on checks or withdrawals in excess of US$10,000 executed on behalf of Foundation relating to all bank accounts maintained by the Foundation.

G. GIFT ACCEPTANCE

1. PRINCIPLES

This policy is intended to provide guidance to the Foundation Office and Kiwanis International Staff regarding acceptance of prospective gifts. All gift acceptance policies and procedures of the Foundation shall be interpreted in light of two overriding principles: (7/14)

Principle 1: A gift shall not be accepted by the Foundation unless there is a reasonable expectation that acceptance of the gift will support the Foundation's mission. (7/14)

Principle 2: A gift shall not be accepted by the Foundation if such acceptance would not be in the best interest of the donor. A determination of the donor's "interest" shall include, but not be limited to, the donor's financial situation and philanthropic interests, as well as any tax or other legal matters revealed while planning for a gift. The Foundation shall not encourage any gifts that are inappropriate in light of the donor's personal or financial situations. In certain unique cases, a gift may be considered inappropriate due to particular restrictions imposed by the donor. By its very definition, a gift cannot be associated with a private benefit that would jeopardize the charitable contribution deduction under Internal Revenue Code Section 170 if the donor and beneficiary of the restriction have less than an arms-length relationship. There must be a distance between the donor and recipient such that the recipient does not receive benefits that are otherwise not available to those of similar status and interest. For example, in the capacity of donor, an individual cannot subsidize his/her own salary, travel funds, or fringe benefits. (7/14)

2. DONOR RESPONSIBILITY

Donors are ultimately responsible for ensuring that the proposed gift furthers their personal charitable, financial, and estate planning goals. The Foundation does not provide legal, accounting, tax, or other advice to prospective donors. (7/14)

3. TYPES OF GIFTS

Gifts to the Foundation may be in the form of outright gifts, pledges, or planned/deferred gifts. (7/14)

a. **Outright Gifts**

(1) **Cash and cash equivalents.** Cash is often the easiest way to give and the most frequently received form of gift accepted by the Foundation. These gifts can take the form of check, or credit card contribution. Cash may be delivered

in person, by mail, by Electronic Funds Transfer (EFT), or by wire transfer. Cash gifts are reported the date the cash is processed by the Foundation. If gifts are transferred by EFT or wire, the date of the gift is the date that the money is transferred into the Foundation's bank account. Credit card gifts are reported on the date that the credit card charges are processed and approved. (7/14)

(2) Publicly-traded securities. (1) Securities listed on an exchange in which quotations are published daily; (2) regularly traded in national or regional over-the-counter markets for which published quotations are available; or (3) that are shares of a mutual fund for which quotations are published on a daily basis in a newspaper of general circulation throughout the United States, will be accepted as outright gifts or toward pledges. The value of securities is determined on the recognized gift date, which is established when the donor relinquishes control of the securities. The average of the high and low trading prices on the gift date determines the value of securities for reporting purposes. (6/2004)

(3) Closely held securities (non-public). The Foundation shall examine any issue that is not publicly traded prior to its acceptance as a gift and may decline a gift of such securities if it deems them difficult to value or not easily marketable. The Foundation Board must approve gifts of non-publicly held securities prior to acceptance. (6/2004)

(4) Real property. Real property includes improved or unimproved land, personal residences, farmland, commercial property, and rental property. If it is the intention of the donor that the Foundation not immediately dispose of real property, an agreement must be made in writing between the Foundation and the donor before the Foundation may accept such property. Gift real estate must be tested to be in conformity with state and federal laws, including EPA regulations and the donor must provide satisfactory evidence of environmental compliance. (6/2004)

(5) Personal property. The Foundation may consider gifts of personal property, including but not limited to works of art, patents, copyrights, antiques, stamp and coin collections, jewelry, furniture, rare books, manuscripts, or any other item that has a determinable value. The Foundation Board may approve such contributions only after a review indicates that the property is either readily marketable or needed by Kiwanis International. It is the policy of the Foundation to sell or otherwise dispose of all gifts of personal property, unless the items can be used by Kiwanis International in a manner related to serving children. The Foundation's intentions to either resell the property or to retain and use it to further its charitable activities shall be communicated to the donor in writing at the time of the gift. (6/2004)

(6) Gifts-in-kind. Gifts-in-kind for which donors are eligible for a charitable gift deduction in accordance with current IRS regulations will be reported in accordance with IRS regulations. Only those gifts-in-kind that can be converted to cash, or items such as equipment, books, medical supplies, etc. that can be used in support of serving children, will be reported. The Foundation must agree to use the in-kind materials before accepting the gift. (7/14)

b. Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. (6/2004)

The following minimum information must exist to substantiate a pledge: (6/2004)

- The amount of the pledge must be clearly specified;
- There should be a clearly defined payment schedule;
- The donor may not prescribe conditions;
- The donor must be considered to be financially capable of making the gift;

Changes to original pledges must be documented in writing.
(6/2004)

Pledge recording: (6/2004)

- Pledges and expected matching gifts will qualify for donor recognition in appropriate giving level groups. (7/14)
- Under- and over-paid pledges (as a result of either rounding, gift valuation, or incremental giving) will be noted as paid in full when donors' intents are clearly to pay commitments in full.
- Before defaulted pledges are written off, pledge deactivation requests must be reviewed and approved by the Executive Director and Treasurer of the Foundation.
- Pledge balances will be written off when Foundation is notified of a donor's death, unless there are provisions in the donor's will or the family has indicated an intent to complete the pledge.
(6/2004)

c. Planned/Deferred Gifts

(1) **Charitable bequests.** Donors can make charitable bequests to the Foundation in wills or living trusts. (6/2004)

(2) **Charitable gift annuities.** A charitable gift annuity is a contract between the Foundation and the donor, not a trust agreement, whereby the donor makes an initial payment of cash or marketable securities to the Foundation and the Foundation agrees to pay the donor an annuity for the rest of his/her lifetime. (6/2004)

The Foundation shall govern charitable gift annuities as follows: (7/14)

- The Foundation will administer a Gift Annuity only if the Foundation is at least a 25% residual beneficiary.
- No Gift Annuity shall be issued for an amount less than US$10,000 with a mandatory annual payout. A US$25,000 gift minimum will be required for variable payout frequencies to be offered. (i.e. quarterly, semiannual)

- No Gift Annuity program shall be for more than two lives. (In accordance with federal regulations, no exception shall be made to this requirement; otherwise, the charitable organization will be taxed on a large part of the gift's earnings.)
- The rates used for Gift Annuities will be those set by the American Council on Gift Annuities.

(3) **Charitable remainder trusts**. A charitable remainder trust is established when a donor irrevocably transfers money or securities to a trustee who invests the assets to pay annual lifetime income to the donor or others chosen by the donor. At the end of the beneficiaries' lives, the remaining trust assets are distributed to the Foundation. Annuity trusts provide the tax advantages of current contributions with the security of fixed, lifetime incomes, generally for the donors and their spouses. The agreed-upon annual payments remain unchanged regardless of how the investments perform. The unitrust differs from the annuity trust by providing a variable income. Payment is based on a fixed percentage of the net fair market value of the trust assets as valued annually. (6/2004)

The Foundation shall govern charitable remainder trusts as follows: (7/14)

- The Foundation will serve as sole trustee only if the Foundation is at least a 50% residual beneficiary. Outside trust resources (a third party administrator) may be retained. Fees for such services will be prorated by percentage of interest of the trust.
- If the Foundation is to serve as Trustee they will be reimbursed for expenses incurred. Where the Foundation serves as Trustee, no Charitable Remainder Trust shall be entered into with a donor for a sum less than US$100,000 or such future amount that may be determined by the Foundation Board.
- The fixed percentage to be paid shall be no less than 5% (the minimum required by law).
- The beneficiaries with lifetime benefits or earnings shall be 50 years of age or more.

(4) Charitable lead trusts. This type of gift provides an income stream for a specified period of time to the Foundation. The Foundation receives the income from the trust and applies it to the specific project. The principal is then returned at the end of the set period to whomever the donor designates. (6/2004)

(5) Revocable trust. Through a written agreement, the donor transfers assets to a trustee. Income is paid to the donor for the term of the trust. (6/2004)

The Foundation shall govern charitable lead trusts and revocable trusts as follows: (7/14)

- The Foundation shall not serve as a trustee for a charitable lead trust and revocable trust, but will refer this type of agreement to a disinterested institution for management as approved by the Foundation Board of Trustees. (7/14)

(6) Gifts of life insurance. Gifts of life insurance may name Foundation beneficiary of the policy or as beneficiary and owner. (6/2004)

The Foundation shall govern life insurance gifts as follows:

- Gifts of life insurance are encouraged.
- The donor must be aware that a charitable deduction for Federal Estate tax purposes is allowed for the amount of the death benefit if Foundation is the beneficiary and that a deduction for premiums paid is allowed if Foundation is the policy owner.
- As long as the donor retains any incidents of ownership there is no deduction allowed.
- If the donor gives a policy on which premiums are to be paid, it is appropriate that they donate the premium amount to the Foundation and the Foundation will pay the insurance company.
- All such donations to offset premium payments will be unrestricted. (7/14)

d. Gifts of Significant Risk

Gifts of significant risk include, but are not limited to: (7/14)

- Non-publicly traded securities
- All gifts of real property
- Gifts of personal property if not to be used by the Foundation
- Conditional gifts (all gifts of real or tangible personal property subject to donor restrictions regarding the disposal of such property) (7/14)
- Any bargain sale of property where a donative element is associated with the acquisition of property by the Foundation below its fair market value.
- Cash gifts with significant donor restrictions
- All gifts of unusual items or gifts of questionable value (6/2004)

e. Conditional Gifts

Conditional gifts are those gifts that, because of some qualifier or restriction, are considered non-routine. Conditional gifts may commit the Foundation to act within a specified time or use a gift for a specific purpose. If, in any instance, a gift offered by a donor would put the Foundation in an embarrassing or untenable

position with the Kiwanis membership, Foundation will decline acceptance. Time limits for holding a conditional gift may be reviewed by the Gift Acceptance Committee. Gift acceptance agreements will specify a time period for meeting the conditions for the gift and will also indicate what will happen to the gift if conditions are not met. (7/14)

f. Refunding of Gifts

In rare instances, the Foundation may deem it necessary to refund gifts, either because it is in the best interest of the Foundation or because conditions agreed to in accepting a gift cannot or will not be met. Requests for refunds may come either from the donor or from the Foundation and must include a statement of reason addressed to the Gift Acceptance Committee. (6/2004)

Conditions under which gifts may be refunded: (6/2004)

- When conditions of acceptance cannot be met or cannot be agreed to.
- When it is in the Foundation's interest and when continuing to hold a gift would not enhance Kiwanis' reputation either with the donor or with the membership.
  (6/2004)

4. GIFT ACCEPTANCE COMMITTEE

The Foundation maintains a Gift Acceptance Committee which shall review all gifts of significant risk, conditional gifts, and requests for refunding gifts, for recommendation to the Foundation Board. See Policy D.2.c for complete information. (7/14)

5. USE OF UNDESIGNATED ESTATE GIFTS

Any undesignated estate gift of US$75,000 or less is recorded to the endowment fund. (7/14)

Any undesignated estate gift of more than US$75,000 shall be split: 25% to the Children's Fund and 75% to the endowment fund. (7/14)

6. SPECIAL CASES

Any deviations from the above listed guidelines shall require approval by the Foundation Board of Trustees with recommendations from Staff and/or legal counsel.

7. RECOGNITION OF DISCOUNTS

The Foundation recognizes that corporations or private individuals may offer significant discounts on materials or services to the Foundation. While these "gifts" do not qualify as tax-deductible contributions, it is important to acknowledge and

recognize these items through the Foundation's formal stewardship programs. Donor acknowledgement of a significant discount on materials or services will be made by the Foundation Office. (6/2004)

H. DONOR RIGHTS AND INTERESTS

1. DONOR BILL OF RIGHTS (6/13)

Permanent Note: The following policy is based on wording encompassing industry standards as provided and copyrighted by the Association of Fundraising Professionals (AFP) and may not be changed without permission of AFP. (6/13)

"Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III. To have access to the organization's most recent financial statements.

IV. To be assured their gifts will be used for the purposes for which they were given.

V. To receive appropriate acknowledgement and recognition.

VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.

VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers."
(All adopted 6/13)

2. REQUEST TO EXAMINE RECORDS

Any donor, upon written request, shall have the right to examine in person or by agent, at any reasonable time for any proper purpose, all of the Foundation's books, papers, records of account, minutes, and records of club donations, and shall have the right to make copies thereof or extracts therefrom at the donor's expense. (7/14)

3. PRIORITY OF THE DONOR'S INTEREST

The interest of the donor shall have priority over the interest of the Foundation. No program, trust agreement, or contractor commitment shall be urged upon any donor or prospective donor which shall benefit Foundation to the detriment of the donor's interest.

The Foundation shall seek to exercise extreme caution against the use of any high-pressure techniques when working with prospective donors.

All personnel employed to administer or promote deferred gifts shall be paid a salary or retained on a per diem basis or an annual basis and shall not receive any commission that might

4. DONOR PRIVACY (2/14)

The Kiwanis International Foundation collects personal information about its donors to be used solely for the purpose of conducting the following business activities: (2/14)

- Fundraising;
- Identifying prospective candidates for presidential and Foundation trustee appointments, Kiwanis International Foundation committees and task forces and other assignments; and
- Communicating key organizational information to district leaders for dissemination to clubs and members.
  (2/14)

Privacy of donor information: To help protect donors' online privacy, the Kiwanis International Foundation keeps email addresses, telephone numbers, mailing addresses and other information secure by using password-protected areas and restricted access. Donor information is strictly confidential and is not shared outside the organization under any circumstances. Donor information will never be sold to another organization or vendor. (2/14)

Reviewing and correcting personal information: Donors may contact the Kiwanis International Foundation to review the personal information the Foundation has collected or to request corrections. (2/14)

5. USE OF LEGAL COUNSEL

All agreements in which the Foundation is the trustee shall follow the format of specimen agreements reviewed by the Foundation legal counsel. Outside legal counsel shall be consulted as required by circumstances.

All prospective donors shall be urged to seek their own legal counsel in matters relating to their deferred gifts, tax and estate planning.

I. GIVING AND RECOGNITION

Recognition elements shall be determined from time to time by the Board Committee on Development upon recommendation of Foundation Staff. (10/15)

Donors have the option to waive some or all recognition elements, if desired, allowing their full contribution to be applied toward their intended purpose. (7/14)

1. GEORGE F. HIXSON FELLOWSHIP (10/15)

a. Membership (10/15)

A US$1,000 contribution to the Foundation Endowment entitles an individual or group (couples, clubs, corporations, foundations, etc.) to membership in the George F. Hixson Fellowship. (7/14)

A club honoring an individual or group must designate within one year of completion of payment the person to be recognized. Unless otherwise designated by the donor, the full contribution will be allocated to the Children's Fund. (11/14) (10/15)

b. 100% George F. Hixson Fellows Club (10/15)

Any Kiwanis club in which all dues-paying members are George F. Hixson Fellows may be recognized as a 100% George F. Hixson Fellow Club. Recognition will be based on September 30 certified membership as determined by Kiwanis International. (10/12) (3/13)

Clubs must request and qualify for 100% George F. Hixson Fellow Club status at the time of the request to be recognized as such. Eligible clubs will be determined by the Kiwanis International Foundation. (7/14) (10/15)

2. TABLE OF HONOR (10/15)

The Tablet of Honor provides a means by which individuals or groups (Kiwanis clubs, divisions or districts or other groups or organizations) can permanently honor or memorialize individuals or groups by a contribution to the Foundation of US$2,000, made either as a one-time payment or made over time. (Note: A person or group cannot give a Tablet of Honor to himself/herself/itself.) (7/14)

All contributions will be allocated to the unrestricted Endowment Fund. (10/08) (10/15)

3. KIWANIS LEADERSHIP SOCIETY (10/15)

This program provides Kiwanis clubs, divisions and districts an opportunity to recognize deserving individuals for their leadership accomplishments and service to the Kiwanis family through a one-time US$250 contribution. (7/14)

4. FOUNDERS CIRCLE (3/13) (10/15)

A special group of donors (individual or husband and wife) who contribute one gift or a series of gifts totaling US$25,000 or more to the Foundation shall be members of the Founders Circle. (7/14)

The list of top donors will be reviewed annually to identify individuals and couples whose cumulative giving is within the range of the next Founders Circle level. (7/14) (10/15)

- Topaz..... US$50,000
- Sapphire:..... US$100,000
- Ruby: ..... US$250,000
- Emerald: ..... US$500,000
- Diamond: ..... US$1,000,000
  (3/13) (10/15)

5. INDIVIDUAL RECOGNITION FOR ANNUAL GIVING (3/13)

Recognition for contributions to the Children's Fund provides incremental giving levels that offer donors opportunities to invest in the foundation with gifts commensurate to their financial means and levels of interest and involvement. Over time, these opportunities will expand the foundation's donor base, increasing the number of prospects for special, major, lead and planned gifts. (7/14)

Individual donors shall be recognized as follows. (7/14) (10/15)

- Supporter: ..... $25 - $249
- Sustainer: ..... $250 - $499
- Patron:..... $500 - $999
- Advocate:..... $1,000 - $2,499
- Leader: ..... $2,500 - $4,999
- Impact Circle: ..... $5,000+
  (7/14) (10/15)

a. Kiwanis Loyalty Society (2/14) (10/15)

The Kiwanis Loyalty Society recognizes individuals and groups (couples, clubs, corporations, foundations, etc.) for consecutive years of giving. (2/14)

When an individual or group makes a gift of any amount to any area of the foundation two administrative years in a row, they will be recognized as a member of the Kiwanis Loyalty Society. Consecutive years of giving are counted by administrative year (October 1 to September 30). To maintain membership and reach new recognition levels, donors must make a gift every administrative year without interruption (or take advantage of the recovery option, when eligible to do so). Unpaid pledges are not included. (2/14)

Kiwanis Loyalty Society benefits begin when a donor makes a gift for five (5) consecutive years (blue level) and continue as the donor reaches new levels after 10 years (silver level) and after 25 years (gold level), respectively. (2/14) (10/15)

Recovery Option: If a donor who has previously achieved at least blue level subsequently misses a year in consecutive giving, they may use the Kiwanis Loyalty Society recovery option to make a gift for a missed year and continue to be recognized for consecutive giving. Criteria for the recovery option are: (2/14)

- The donor must be at least a Blue Level member.
- The donor may recover only the previous Kiwanis administrative year (October 1 – September 30).
- The gift must be at least equal to the average of their gifts from the last three administrative years. (2/14)

b. Children's Fund Benefactor and Honored Benefactor (3/13) (10/15)

Benefactor: A special group of donors who have contributed US$5,000 or more to the Children's Fund, either by a one-time gift or through cumulative gifts. (7/14)

Honored Benefactor: A special group of donors who have contributed US$10,000 or more to the Children's Fund, either by a one-time gift or through cumulative gifts. (7/14)

6. CLUB RECOGNITION FOR ANNUAL GIVING

a. **The Today Club** (2/14) (10/15)

The Today Club program recognizes Kiwanis clubs that achieve various per-capita giving levels during the administrative year. (2/14)

Gifts to The Today Club program will be counted in determining per-capita giving. (7/14)

Clubs are recognized annually at the end of the administrative year. Per-capita giving is based on the September 30 certified club membership as determined by Kiwanis International. Club eligibility will be determined by the Kiwanis International Foundation. (2/14)

- Blue Club: Minimum of US$10
- Silver Club: Minimum of US$25
- Gold Club: Minimum of US$50
- Diamond Club: Minimum of US$100

7. DISTRICT RECOGNITION FOR ANNUAL GIVING (10/12)

As an incentive for Kiwanis districts to promote the work of the Kiwanis International Foundation, these recognition opportunities are available: (3/13)

a. **Standard Recognition** (10/12)

Each Kiwanis International district is eligible to receive a grant equal to five percent of their district's gifts to the Children's Fund from October 1 through September 30. Gifts to any temporarily or permanently restricted fund are excluded. Districts must comply with the terms and conditions of the grant as set forth by the foundation. Funds not expended for the purpose for which the grant is given shall be forfeited and must be returned to the foundation. (10/12) (7/14)

b. **Top Five Districts in Per-Capita Annual Giving** (10/12)

The top five districts in per-capita annual giving, excluding the Global Campaign for Children, shall be eligible for: (7/14)

- 1st place: Five US$2,000 university scholarships
- 2nd place: Four US$1,500 university scholarships
- 3rd place: Three US$1,000 university scholarships
- 4th place: Two US$1,000 university scholarships
- 5th : One US$1,000 university scholarships (11/14)

J. PLANNED/DEFERRED GIVING

1. THE HERITAGE SOCIETY (10/15)

Any individual(s) who informs the Foundation, in writing, that they have included the Foundation in their estate plan with a minimum deferred gift of US$10,000 shall qualify for membership in The Heritage Society. (7/14)

This may be accomplished in the following ways: (10/12)

- By having an existing will or making a new will directing a percentage, fixed amount, or contingency statement, which will direct an eventual gift to the endowment fund.
- By naming the Foundation as a primary or secondary beneficiary of a new or existing insurance policy.
- By creating a Charitable Remainder Unitrust, Annuity Trust, Charitable Gift annuity, Charitable Lead Trust, Life Estate or bank deposit eventually directing all or a portion of the principal or earnings to Foundation. (10/12)

All Heritage Society Members prior to October 1, 2012, are grandfathered according to the original criteria of their membership. (10/12)

Unless otherwise requested by the donor, the names of all of The Heritage Society members will be published periodically without disclosure of gift method or gift amount. (7/14)

2. MARY AND BO SHAFER LEGACY SOCIETY (10/09) (10/15)

Any individual(s) who informs the Foundation, in writing, that they have included the Foundation in their estate plan with a minimum deferred gift of US $50,000 shall qualify for membership in The Mary and Bo Shafer Legacy Society. (10/09)

Method of Payment: This may be accomplished in the following ways: (10/09)

- By having an existing will or making a new will directing a percentage, fixed amount, or contingency statement, which will direct an eventual gift to the endowment fund.
- By naming the Foundation as a primary or secondary beneficiary of a new or existing insurance policy.
- By creating a Charitable Remainder Unitrust, Annuity Trust, Charitable Gift annuity, Charitable Lead Trust, Life Estate or bank deposit eventually directing all or a portion of the principal or earnings to the Foundation. (10/09)

Unless otherwise requested by the donor, the names of all Shafer Legacy Society members will be published periodically without disclosure of gift method or gift amount. (10/09)

3. DONOR ADVISED FUND

Kiwanis International Foundation, through the donor advised fund program, shall provide individual Kiwanians, clubs and districts a convenient way to simplify charitable giving and take advantage of tax savings. A donor advised fund is similar to an investment account earmarked exclusively for charitable giving. It allows donors to make contributions and grant recommendations to the Foundation and other preferred charities at their convenience. A minimum initial contribution of US$10,000 shall be required to establish a donor advised fund, but distributions shall not begin until the fund has reached US$25,000. Contributions to the fund can be made at any time. The Kiwanis International Foundation shall receive an annual 1% handling fee to manage donor advised funds, based on current value each year. (7/14)

K. OTHER AWARDS AND RECOGNITION

1. SPIRIT OF PHILANTHROPY AWARD (3/13)

The Spirit of Philanthropy award recognizes individuals, couples, families, corporations or foundations with a proven record of generosity who, through sharing of time, talents, and resources, have demonstrated exceptional charitable responsibility, and whose generosity encourages others to embrace philanthropic leadership roles on the local, national and/or international levels. (7/14)

The Spirit of Philanthropy award will be presented no more frequently than annually, as desired by the Foundation Board. No medal need be presented. (7/14)

2. FOUNDATION RECEPTION(S) AT KIWANIS INTERNATIONAL CONVENTION

Each year at the International Convention, the Foundation hosts one or more receptions to recognize those who have made contributions via major Foundation programs. (7/14)

L. SPECIAL CAMPAIGNS

1. DISASTER RELIEF FUND (4/11)

A disaster relief fund exists for voluntary contributions submitted by clubs or individuals or for monies allocated by action of the Foundation Board for the purpose of providing disaster relief funding. (7/14)

In the event of a natural disaster and upon agreement between the President of Kiwanis International and the President of the Foundation, clubs and club members may be invited to contribute voluntarily to the disaster relief fund. (7/14)

The Foundation shall accept disaster relief donations for a particular disaster only upon advising the donor that at such time as the Foundation, in its discretion, determines that disaster relief funds are no longer needed for that disaster, any amount remaining of such donor funds may be used for disaster relief elsewhere. Funds specified for disaster relief shall be deposited in the disaster relief fund. (7/14)

(For information on Disaster Relief Grants, see Policy M – Grants.)

M. GRANTS

1. UNRESTRICTED GRANTS

a. Grants made by the Foundation must conform to the Objects and Purposes prescribed in its Bylaws; further the goals and ideals of Kiwanis; and promote exposure of Kiwanis in the area where the program or organization is located. (7/14)

b. The Kiwanis International Foundation provides unrestricted grants only to Kiwanis-sponsored affiliates and Kiwanis-family clubs, districts, and district foundations for programs they support. (7/14)

c. Priority will be given to grants to Kiwanis' Service Leadership Programs and programs involving children. (11/14)

d. The board makes grant funding decisions twice annually. Grant application deadlines for unrestricted grants are November 15 and April 15 for consideration at the subsequent board meetings. The decision of the board is final and will be communicated to applicants within 30 days of the decision. (7/14)

e. Grant funding commitments are made for twelve (12) consecutive months. Commitments of more than one year can only be made subject to annual review by the Foundation Board. (7/14)

f. District Foundations may submit one grant proposal per year. Preference is given to districts foundations not previously funded or those which have not recently received a grant. (7/14)

g. Clubs and districts may apply for grant funding up to US$25,000. Kiwanis district foundations may apply for grant funding up to US$10,000. The foundation may award less than the amount requested. (7/14)

h. Grants may be awarded for the full production and duplication cost of training, promotional or educational material only when these materials produce no income. No such material may be sold, nor any contribution solicited, except to cover reasonable postage and handling costs in exchange for the material. (7/14)

i. Requests for land purchase will not be considered. (3/13)

j. U.S. organizations supported as a third party by Foundation grants must be qualified by the Internal Revenue Service for tax exemption as a 501(c)(3) organization and have proper liability insurance to indemnify the Kiwanis International Foundation. (7/14)

k. The foundation will not provide an unrestricted grant to a club or district for the same program or organization for more than three (3) consecutive years. The club or district must reapply each year in order to be considered for funding. (7/14)

l. Grant recipients may spend up to the specified amount for the sole purpose for which it was approved. Funds not expended for the purpose for which the grant is given shall be forfeited and must be returned to the foundation. (7/14)

m. Grant recipients must comply with the terms and conditions of the grant as set forth by the foundation. (7/14)

n. In carrying out a grant-funded project, clubs, districts and district foundations will comply with all applicable laws in its local jurisdiction. (11/14)

2. DISASTER RELIEF GRANTS (4/11)

a. Disaster relief grants may be authorized by the Kiwanis International Foundation President to Kiwanis clubs and districts in amounts not exceeding US$5,000. Disaster relief grants in excess of US$5,000 may be awarded only upon the approval of the Executive Committee or the Foundation Board. (7/14)

b. Kiwanis clubs and districts may spend up to the specified amount for the sole purpose for which it was approved. Funds not expended for the purpose for which the grant is given shall be forfeited and must be returned to the foundation. (7/14)

c. Grant recipients must comply with the terms and conditions of the grant as set forth by the foundation. (7/14)

3. WORLD SERVICE MEDAL GRANT (7/14)

When the Kiwanis International Board awards the Kiwanis World Service Medal to a worthy recipient, the Foundation Board will also authorize an accompanying grant of US$10,000. Per Kiwanis International guidelines, the award shall be given no more than annually. (7/14)

(Note: Policy N – Heroism Recognition was deleted in October 2015.)

REFERENCE ADDENDUM

(Updated January 2015)

Reference Addendum:

- Kiwanis International Policy and Procedure on Conflict of Interest
- ·Kiwanis International Policy on Definition of 'Conduct Unbecoming'
- Kiwanis International Procedure on Kiwanis International Officer Accused of Conduct Unbecoming

Kiwanis International Policy

B. International Administration

15. Conflict of Interest

In order to protect its interests as a tax-exempt organization, Kiwanis International, when contemplating a transaction or arrangement that might benefit the private interest of or that might result in a possible excess benefit transaction for an International Officer (Kiwanis International Board Members and Governors) or a member of a committee with Board-delegated responsibilities or powers, Kiwanis International shall exercise due diligence to assure no conflict of interest exists and/or it shall take appropriate disciplinary and corrective action, as defined in procedure, if, upon investigation, a conflict of interest is determined to exist. This policy and accompanying procedure is intended to supplement, but not replace, any state and federal laws applicable to nonprofit and charitable organizations. (4/07) (6/10)

International Officers must represent unconflicted loyalty to the interests of Kiwanis membership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. (1/08) (6/10)

International Officers must not use their positions to obtain employment at Kiwanis International for themselves, immediate family members, or associates and must wait for three years after most recently serving in office to apply for employment for any paid service within Kiwanis International. (1/08) (6/10)

Kiwanis International Procedure

196 – Conflict of Interest

195.1 - Definitions

A. Organization: "Organization" in this procedure means "Kiwanis International."

B. Interested Person: Any International officer (Kiwanis International Board member or Governor) or member of a committee with Board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person. (4/07) (6/10)

C. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (4/07)

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement; (4/07)
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or (4/07)
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement. (4/07)

Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial. (4/07)

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 International Board decides that a conflict of interest exists. (4/07) (6/10)

195.2 - 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 International Board. (4/07) (6/10)

195.3 - Addressing a Conflict of Interest

A. An interested person may make a presentation to the International Board at a Board meeting in writing or in person; if in person, 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. (4/07) (6/10)

B. The International Board shall determine whether a conflict of interest exists, and, if a conflict does exist, shall determine alternatives to the proposed transaction or arrangement which, with reasonable efforts, would not give rise to a conflict

of interest. However, if appropriate, the Board may appoint an investigation committee composed of one or more disinterested persons to investigate the matter, which shall, after due diligence, report its findings and recommendation to the Board. (6/10)

C. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the International Board shall determine by a majority vote of the disinterested members 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. (4/07) (6/10)

195.4 - Violations

A. If the International Board or investigation committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose. (4/07) (6/10)

B. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the International Board or investigation committee determines the interested person has failed to disclose an actual or possible conflict of interest, ~~it~~ the Board shall take appropriate disciplinary and corrective action. (4/07) (6/10)

195.5 - Records of Proceedings

The record of the International Board meeting and investigation committee meeting (if any) shall contain: (4/07) (6/10)

- The names of the interested person who disclosed or otherwise was 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 existed;
- 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;
- Recommendation(s) of the investigation committee;
- Any votes taken in connection with the proceedings; and
- The International Board's decision as to whether a conflict of interest in fact existed and disciplinary action taken (if any). (4/07) (6/10)

195.6- Compensation

A. A voting member of the International Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation. (4/07)

B. A voting member of a committee with Board-delegated responsibilities or powers whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation. (4/07) (6/10)

C. No voting member of the International Board or a committee with Board-delegated responsibilities or powers whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation. (4/07) (6/10)

195.7- Annual Statements

Each interested person, as defined in 196.1, shall annually sign a statement that affirms such person: (4/07) (6/10)

A. Has received a copy of Kiwanis' conflict of interest policy and procedure; (4/07) (6/10)

B. Has read and understands the policy and procedure; (4/07) (6/10)

C. Has agreed to comply with the policy and procedure; (4/07) (6/10)

D. Has identified in writing any potential conflict of interest; and (4/07)

E. Understands 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. (4/07)

195.8 - Periodic Review

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 review shall, at a minimum, include the following subjects: (4/07)

A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining. (4/07)

B. 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. (4/07)

195.9 - Use of Outside Experts

When conducting the periodic reviews as provided in subsection g, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the International Board of its responsibility for ensuring periodic reviews are conducted. (4/07)

Kiwanis International Policy on Definition of 'Conduct Unbecoming'

B. International Administration

11. Definition of 'Conduct Unbecoming'

A. Conduct Unbecoming a Member of the Kiwanis Family (4/13)

"Conduct unbecoming a member of the Kiwanis family" is defined as any conduct that: (4/12)

- Is incompatible with the best interests of the public or of members of the Kiwanis family; or (4/12)
- Tends to harm the standing of Kiwanis in the local or global community. (4/12)

  Note: For conduct unbecoming purposes, the Kiwanis family is defined in the Kiwanis International Bylaws as members of Kiwanis clubs, Aktion Clubs, Circle K clubs, and Key Clubs. (4/12)

B. Conduct Unbecoming a Kiwanis International Officer (4/13)

In addition to the basic definition of 'conduct unbecoming a member of the Kiwanis family' as shown above, the definition is expanded for Kiwanis International officers (Kiwanis International Board Members and District Governors) to further include any of the following offenses committed while serving in office: (4/12) (4/13)

1. Engaging in profanity or making derogatory statements or engaging in offensive behavior based on race, color, gender, age, disability, economic status, religion, or national origin. (4/12)
2. Engaging in unwanted touching at any time. (6/99)
3. Creating a hostile atmosphere. (6/99)
4. Being convicted of any felony or misdemeanor involving moral turpitude. (4/12)

Kiwanis International Procedure on Kiwanis International Officer Accused of Conduct Unbecoming

103 - Kiwanis International Officer Accused of Conduct Unbecoming

103.1 - Allegation and Investigation

A. **Allegation:** If any club member or Kiwanis International officer observes or has knowledge of* behavior by a Kiwanis International officer that he or she believes constitutes 'conduct unbecoming a member of the Kiwanis family' as defined in Kiwanis International policy and which may have been committed in his/her capacity as a Kiwanis International officer, the member shall report such allegation in writing (hereinafter referred to as the "Allegation Report") immediately to the International President. (4/13)

However, if the International President is the subject of the allegation, then, throughout the entire 'conduct unbecoming' process, whenever it is stated that the International President shall normally act, the Immediate Past International President shall act instead. (4/13)

The Allegation Report shall include as much detail as possible regarding the time, place, persons, actions, etc., and how the behavior relates to the accused officer's duties for Kiwanis International. If the behavior does not relate to those duties, the allegation will be redirected to the accused officer's club along with a copy of the Allegation Report. (4/13)

*Note: "Has knowledge of" may include a nonmember making a club member or International officer aware of behavior or actions by a Kiwanis International officer, in which case, such allegation shall be submitted by the club member or International officer who has been made aware of it. (4/13)

B. **Allegation Process:** Upon receipt of an Allegation Report, the President shall follow the steps outlined in this procedure. (4/13)

C. Investigator: Within seven (7) days of receiving the Allegation Report, the President shall appoint a special investigator, which may be a single individual or a committee (hereinafter referred to as "the Investigator"). The Investigator shall be composed of disinterested member(s) of Kiwanis club(s) (that is, those without bias on the allegations or for/against the officer personally) and shall not include any members of the Kiwanis International Board. In the event the President believes no Kiwanian has the necessary skills to adequately investigate the subject matter, the President may select a non-Kiwanian as the Investigator. If the Investigator charges a fee for his/her services or if the investigation itself involves some costs (such as fees for requesting records, etc.), then such fees/costs must be approved by the Board. The Investigator will represent Kiwanis International throughout the entire investigation, determination, and reconsideration process (if any). (4/13)

D. **Investigation Process and Initial Notice:** Within fourteen (14) days after being appointed, the Investigator shall endeavor to gather enough information to determine if the allegation is substantive enough to warrant investigation. If so determined, the President or designee shall send written notice to the accused officer of the allegation, a copy of the process to be followed, and the possible outcome, and the investigation shall continue more fully, including a reasonable attempt to interview the accused officer and other relevant persons. (4/13)

E. **Investigation Reports:** The Investigator shall provide a progress report to the President within thirty (30) days of appointment. A final written report of the Investigator's findings (hereinafter referred to as 'the Investigation Report') shall be made by the Investigator, signed by all persons who comprise the Investigator, and submitted to the President within 30 days after the initial progress report (no later than sixty (60) days after the appointment of the Investigator), unless there are extenuating circumstances. The Investigation Report shall include an outline of the investigation as well as (1) whether the investigation finds in favor of the accused; or (2) whether the Investigator finds the matter can be resolved without a hearing; or (3) a recommendation of the charges and related specifications to be made against the accused officer. (4/13)

F. **Charges and Specifications:** A charge sets forth the general offense the accused officer is alleged to have committed. A specification states specifically what the accused officer is alleged to have done which, if true, constitutes an instance supporting the charge. Charges and specifications must be carefully worded to make no broader allegation than intended or can be supported. An accused officer must be found 'guilty' of at least one specification in order to be found 'guilty' of the related charge, and an accused officer must be found 'guilty' of at least one charge before a penalty can be imposed. (If necessary, refer to Robert Rules, Section 63 – Investigation and Trial, for more information and examples of charges and specifications.) (4/13)

103.2- Disclosure and Confidentiality

A. **During Investigation:** During the investigation, the President shall not disclose any information regarding the investigation to the public or to any other Kiwanian, including the Kiwanis International Board, until the investigation process is complete, except that the President may report to the International Board only that an allegation has been received and an investigation is being conducted, without disclosing the name of the accused officer or details of the investigation. (4/13)

B. **After Investigation:** Once the investigation is complete, the President may disclose information regarding the investigation only to the International Board for a hearing on the matter and to any Kiwanis Staff members who have a need to know, but not to the public or to any other Kiwanian. (4/13)

C. **General:** All materials, facts, and information related to the investigation, determination, and reconsideration (if any) shall be kept confidential at all times by any parties or persons involved in any part of the process. The person presiding over each step should remind all participants of the need to maintain confidentiality. (4/13)

103.3- Criminal Wrongdoing

If at any time during the investigation, the Investigator discovers criminal wrongdoing or what appears to be criminal wrongdoing, it must be reported immediately to the President, who is then obligated to report the matter to the proper authorities. If the President does not act, then the Investigator is obligated to report the matter to the proper authorities. In any case, the process regarding conduct unbecoming shall proceed to conclusion. (4/13)

103.4– Resignation

An accused officer may resign from office or may resign from club membership at any time during the conduct unbecoming process, and the Kiwanis International Board and/or the club (respectively) may or may not accept the resignation; however, after investigation, charges and

specifications are made against the accused officer, then the International Board is obligated to continue the hearing, determination, and discipline processes through to completion. (4/13)

103.5– Board Hearing

A. **Referral to Board:** After receiving the Investigation Report, the President shall refer it to the International Board to determine whether to proceed with a hearing. A special Board meeting for this purpose shall be held within seven (7) days after the matter is referred to the Board, and shall be conducted in executive session. (4/13)

B. **Notice of Hearing:** Within seven (7) days after the special Board meeting, the President or designee shall send notice to the accused officer of the investigation results, including charges and specifications, and whether the Board intends to pursue the allegation(s) and proceed with a hearing. If a hearing is to be held, the accused officer shall have the option to say nothing or to admit or deny the allegation(s). If admitted, the officer shall tender his/her resignation from office. If denied, the hearing shall determine if the allegation(s) are true. A date for a hearing shall be set in consultation with the accused officer, to be held as soon as reasonably possible but no later than thirty (30) days after the accused officer receives notice of the allegation. The date shall be set when at least a quorum (which is a majority) of the Board members can be present. (4/13)

C. **Temporary Suspension:** If the Board intends to proceed with a hearing, the accused officer may be temporarily suspended from office, pending the outcome of the proceedings. (4/13)

D. **Hearing:** A special meeting of the Board, with at least a quorum present, shall be held to conduct a hearing. The only persons allowed to attend the hearing are Kiwanis International Board members, the accused officer, the Investigator, any representatives or counsel for the accused officer and Kiwanis International, and Kiwanis Staff as needed. Witnesses are permitted only during their own testimony. The President shall preside; however, if the President is the subject of the allegation or wishes to decline, the Board shall determine who presides. If a Board member is the subject of the allegation, he/she shall be counted in determining the number needed for quorum, but will not be allowed to be present during deliberations or to vote at any point in the process. (4/13)

At the hearing, the Investigator shall present evidence on behalf of the Kiwanis International, and the accused officer shall have the opportunity to present evidence in his/her defense. If the Investigator is a committee, any member of the committee may represent Kiwanis International at the hearing. Kiwanis International or the accused officer may present evidence through testimony of witnesses. Witnesses shall not be required to swear-in. Either side may question the other or any witnesses. The accused officer may testify in his/her behalf, either in person or in written form without being present. The accused officer also shall have the right of representation at the hearing by the person of his/her choice and/or by legal counsel, at the officer's own expense. Legal counsel may be engaged by the Kiwanis International Board to provide advice to the Board; however, the role of such legal counsel is entirely separate from the role of the Investigator. Counsel for Kiwanis International or the accused may be a non- Kiwanian.

If it is determined that additional time is needed to present evidence not available at the initial hearing, the Board may adjourn the hearing and reconvene it later. (4/13)

If the accused officer fails to appear for the hearing, it shall proceed without him/her.

E. **Hearing Record:** A written record of the hearing (hereinafter referred to as 'the Hearing Record') shall be made. The hearing also may be recorded for transcription purposes. The Hearing Record shall include:

- Date, time, and location of the hearing;
- Names of all persons present or participating;
- Nature of allegation(s), including charges and specifications
- Evidence, including testimony of witnesses;
- A summary of the essential content of all discussions;
- Any findings determined during the proceedings;
- Any motions made or votes taken.

The Hearing Record shall be reviewed and adopted by the Kiwanis International Board in an executive session at the next special meeting of the Board on the subject (see next step) and retained by the Executive Director. (4/13)

103.6–Determination and Discipline

A. **Determination:** Within seven (7) days of conclusion of the hearing – or within no later than thirty (30) days, if extenuating circumstances exist – the Board shall hold another special meeting in executive session (attendance limited to Board members) to consider the charges and specifications against the accused officer. Each of the specifications, and then the charge, is read, opened to debate, and voted on separately, although the several votes can be collected on a single written ballot. If the accused is found guilty of one or more of the specifications but not of the charge, a lesser charge may be moved and voted on. In each case, a majority vote of those present and voting is necessary. If the accused is a member of the Board, he/she shall not have a vote on the matter. (4/13)

B. **Discipline:** If the accused officer is determined to have engaged in conduct unbecoming as alleged by at least one of the charges, he/she shall be disciplined by the Kiwanis International Board as provided in policy. (4/13)

C. **Board Report:** Wthin seven (7) days of conclusion of the special meeting, the Board shall produce a written report of its findings, conclusions, and decision(s) (hereinafter referred to as "the Board Report"), which shall become part of the official record on the matter. The Board Report shall include a copy of the Hearing Record, as reviewed and adopted by the Board. A copy of the Board Report shall be provided immediately to the accused officer and the Investigator. Clubs and districts shall be informed of the Board's decision(s) on the matter, but other details from the Board Report shall remain confidential. (4/13)

103.7– Reinstatement to Office

If the accused officer was suspended from office during the 'conduct unbecoming' process, but charges are not substantiated, the suspension shall be terminated and the accused reinstated to office. (4/13)

103.8– Reconsideration

A. Request for reconsideration: Within thirty (30) days of the Board Report being provided to the accused officer and the Investigator, either party may request reconsideration by the Board. Such request must be made in writing to the President and must state the specific reason(s) for reconsideration. Either party may request reconsideration of either the Board's finding that 'conduct unbecoming' did or did not occur or the resulting disciplinary action. Reconsideration may not be used to "re-try" the allegations against the accused and no new facts that were reasonably accessible at the time of the hearing will be allowed. Reconsideration will be allowed only if some part of the process or facts used to determine the Board's decision(s), the Hearing Record, or the Board Report is alleged to be faulty, incorrect, insufficient, or otherwise erroneous, or if the decision of the Board was contrary to the overwhelming weight of the evidence. (4/13)

B. **Reconsideration Process:** If a written request for reconsideration is received by the President, the Board shall call a special meeting within thirty (30) days, provided at least fourteen (14) days advance notice of the meeting is given to the accused officer. Any person who is not a Kiwanis International Board member shall be excluded from the meeting. All materials and information provided to the Kiwanis International Board shall remain confidential among those attending. At least a quorum of the Board (which is a majority) must be present at the reconsideration meeting. The President shall preside; however, if the President is the subject of the allegation or wishes to decline, the Board shall determine who presides. The materials to be considered during reconsideration shall be the Hearing Record, the Board Report, and the appellant's basis for reconsideration. (4/13)

C. **Permitted Motions:** The only motions that may be made during the reconsideration meeting by a Board member in attendance are these: either (1) to uphold the Board's original determination of 'conduct unbecoming' and resulting disciplinary action; **or** (2) to overturn the original decision. Other motions are out of order. Any motion shall require a majority vote of those present and eligible to vote to adopt. (4/13)

D. **Final Authority:** The decision of the Kiwanis International Board on the matter shall be final. (4/13)

E. **Reconsideration Record:** A written record of the reconsideration shall be made (hereinafter referred to as the 'Reconsideration Record'), similar to that for the original hearing, and shall be reviewed and approved by the Kiwanis International Board and retained as part of the official record on the matter. (4/13)

103.9– Official Records, Notification, and Separate Disciplinary Action

A. **Official Records:** Within thirty (30) days of the conclusion of all proceedings, Kiwanis International shall compile all official records on the matter (Allegation Report, Investigation Report, Hearing Record, Board Report, and Reconsideration Record if any) to be retained in a confidential file as long as required by applicable law. This provides documentation that the Kiwanis International Board completed due diligence regarding the allegation. (4/13)

B. **Notification of Club(s):** If the Kiwanis International officer was disciplined by Kiwanis International for 'conduct unbecoming,' Kiwanis International shall send a copy of all official records on the matter to the president(s) of the officer's club(s) and each club may take separate disciplinary action against the member as it deems appropriate. (4/13)

C. **Notification of District:** If a Kiwanis International officer who was disciplined for 'conduct unbecoming' is also a district officer, Kiwanis International shall send a copy of the official records to the district governor and the district may take separate disciplinary action against the member as it deems appropriate. (4/13)

103.10– Parliamentary Authority

The most recent edition of Roberts Rules of Order shall be the parliamentary authority for all procedural matters related to investigation, determination, discipline, and reconsideration (if any) for 'conduct unbecoming' which may not be specifically covered in Kiwanis governing documents, including but not limited to this procedure. (In the 11th edition of Roberts Rules, see Section 63–

Investigation and Trial). In the event of any inconsistency between Kiwanis governing documents and Roberts Rules, the Kiwanis provisions shall prevail. (4/13)