

**KIWANIS INTERNATIONAL FOUNDATION**  
*Doing business as “Kiwaniis Children’s Fund”*

**POLICIES AND PROCEDURES**

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*(Rev. 6/22)*

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(Section 900 is temporarily vacant at this time)

**REFERENCE ADDENDUM**

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- Kiwanis International Policy on Document Retention and Destruction
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**KIWANIS INTERNATIONAL FOUNDATION**  
*Doing business as “Kiwaniis Children’s Fund”*

**POLICIES**

*(Revised February 17, 2022)*

**A. DEFINITIONS**

**1. POLICY**

A policy is a basic principle by which the Kiwanis International Foundation Board guides the affairs of the Foundation. (7/14) (7/17)

**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 KIWANIS INTERNATIONAL**

**1. KIWANIS INTERNATIONAL (2/22)**

- 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.** 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 as defined in the Foundation bylaws. (7/14) (10/16)

- g.** 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.
- h.** 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)
- i.** 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)
- j.** The Foundation will be assigned the fundraising responsibility to fulfill the Kiwanis International Global Campaign for Children. (7/14)

## **C. BOARD OF TRUSTEES**

### **1. RESPONSIBILITIES**

- a.** The Foundation Board shall establish and implement the Mission of the Foundation. (7/14) (7/17)
- b.** The Foundation Board shall develop and annually review strategic initiatives in alignment with the Kiwanis strategic plan. (7/14) (2/22)
- 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). (7/17)
  - The Board shall assure that the provisions established for any restricted funds 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 continually be 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 the 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. (7/14) (7/17)

- 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)

## 2. 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)

## 3. CODE OF ETHICS AND CONDUCT (3/13)

- a. 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)
- b. 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.
  - Shall not nominate or second the nomination of any candidate for a contested Kiwanis election at the district, regional, or International level of the organization. (10/17)

- c. 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)

#### **4. PLEDGE OF SERVICE**

- a. 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. (3/13) (7/17)
- b. 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)

#### **5. 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)

#### **6. AT-LARGE SEAT**

The Bylaws provide that: "From time to time, the Board may appoint one (1) additional trustee to address needs or desires related to philanthropic skills, abilities, resources or representation." This shall be designated as the At-Large Seat. The person filling this seat need not be nominated from or by a Kiwanis district and shall be chosen according to the following criteria, subject to relevant bylaw provisions regarding candidate requirements. If there are no willing and qualified candidates for this seat at the time the term is due to be filled, the Board may leave the seat open until the following year. (6/19)

- An individual who can bring significant new resources to the Children's Fund.
- An individual with specific philanthropic expertise that may be desired by the Board at a certain time.
- An individual representing a philanthropic community of aligned interests with which the Board desires a connection.

(6/19)

## **D. 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 Philanthropy 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 Philanthropy 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 Philanthropy 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. DOCUMENT RETENTION AND DESTRUCTION**

The Kiwanis International Foundation adopts and shall adhere to the same rules and processes regarding document retention and destruction as those utilized by Kiwanis International, provided that, as such processes are used by the Foundation, each reference to "Kiwanis International" shall be interpreted to mean "Kiwanis International Foundation." (See Reference Addendum for Kiwanis International Policy B.22 – Document Retention and Destruction.) (1/12) (2/22)

### **3. PROTECTION OF WHISTLE BLOWERS**

The Kiwanis International Foundation adopts and shall adhere to the same rules and processes regarding protection of whistle blowers as those utilized by Kiwanis International, provided that, as such processes are used by the Foundation, each reference to "Kiwanis International" shall be interpreted to mean "Kiwanis International Foundation." (See Reference Addendum for Kiwanis International Policy B.23 – Protection of Whistle Blowers.) (11/14) (2/22)

### **4. ADDITIONAL OFFICERS OR AGENTS**

The Kiwanis International Foundation shall have the following administrative officers with the duties as stated. As staff, these officers shall be under the authority of the Executive Director. (2/21)

- Chief Philanthropy Officer: Is accountable for achieving the charitable fundraising and non-dues revenue goals of the corporation through corporate, club, and individual donor relationships. (2/21)
- Chief Financial Officer: Shall have general oversight over the finances of the corporation. (2/21)

## **E. LEGAL COMPLIANCE**

The Kiwanis International Foundation staff and Board shall comply with legal requirements related to the operations of a not-for-profit organization incorporated in the United States with 501(c)(3) status with the Internal Revenue Service, particularly but not limited to the applicable standards of conduct set forth in Indiana's Uniform Prudent Management of Institutional Funds Act (UPMIFA). (6/22)

## **F. DONORS RIGHTS AND INTERESTS**

### **1. DONOR BILL OF RIGHTS (6/13)**

The Foundation shall adhere to the Donor Bill of Rights adopted and recommended by the Association of Fundraising Professionals (AFP), as shown below. (6/22)

*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. PRIORITY OF THE DONOR'S INTEREST**

The interest of the donor shall have priority over the interest of the Foundation. The Foundation will not knowingly accept a gift that is contrary to the donor's best interests (i.e., that would do financial harm to the donor), nor will it accept any gift that knowingly violated the Internal Revenue Code or any other federal or state laws. 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. (6/22)

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 advise to prospective donors. (7/14) (6/22)

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 give such personnel an undesirable personal interest in any agreement.

### **3. 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)

### **4. REQUEST TO EXAMINE RECORDS**

Any donor, upon written request, shall have the right to examine in person or by agent, the Foundation's annual reports, audits, IRS tax determination letter, tax returns, board meeting minutes, and other public documents. (7/14) (6/22)

### **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.

## **G. GIVING AND RECOGNITION (10/16)**

Recognition programs shall be established by Foundation Staff in accordance with the following principles: (10/16)

- Advance the mission of the Foundation.
- Align with the organization's strategic plan.
- Adhere to the Objects of Kiwanis.
- Align with the values, goals, priorities and culture of Kiwanis, connecting donors with the impact the

Foundation makes in the lives of children while providing incentive to donors and prospective donors.

- Inspire donors to make repeat gifts and to make significant and lasting gift commitments.
- Inspire volunteers to actively promote and advocate for the foundation.
- Reflect a genuine and personal expression of appreciation.

(10/16)

Additionally, the Foundation will adhere to the following standards: (10/16)

- Recognize donors for cumulative, consecutive, annual, planned or special campaign giving;
- Be fair, consistent and easily understood;
- Comply with federal recognition guidelines;
- Be simple to effectively administer;
- Be given in a strategic and timely manner;
- Allow donors the option to waive some or all recognition elements; and
- Encourage increased and extraordinary gifts. Foundation staff will produce, manage, review, and update a document that outlines the specifics of all foundation recognition programs.

(10/16)

## **H. GRANTS** (2/22)

### **1. CLUB GRANTS** (2/22)

- a. Kiwanis clubs in good standing as determined by Kiwanis International may apply for a club grant from the Foundation. (7/14) (2/22)
- b. Club grants that do not exceed the total amount approved in the annual budget for such purposes may be authorized by the Grants Committee. Club grants exceeding the annual budget amount require approval from the Children's Fund Board. (2/17) (2/22)
- c. Grant recipients must comply with the terms and conditions of the grant as set by the Foundation. (10/12) (2/17)

### **2. DISTRICT GRANTS** (adopted 10/16, effective 10/17)

- a. Kiwanis International districts considered to be eligible as determined by the Foundation may apply for a grant equal to fifteen percent of the club donations that originated from within the district the prior administrative year. (10/16) (11/21)  
*Proviso: As of the 2022-23 administrative year, this grant will equal five (5) percent rather than 15. (This is per action by the Board in November 2021.)*
- b. District grants may be authorized by foundation staff not to exceed the total amount approved in the annual budget for this purpose. District grants exceeding the annual budget require approval from the Children's Fund Board. (7/17) (2/22)
- c. Districts must comply with the terms and conditions of the grant as set forth by the foundation. (7/17)

*(continued on next page)*

# I. INVESTMENTS

## 1. Purpose

The purpose of this policy is to assist the Kiwanis International Foundation Board in effectively planning, overseeing, monitoring, and evaluating the management of all assets held by the Children's Fund for investment purposes ("investment portfolio"), which is managed by an independent third-party advisor, by: (2/14) (6/22)

- Stating in a written document the Board's attitudes, expectations, objectives, and guidelines for the investment of assets; (2/14) (6/22)
- 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) (6/22)
- Providing guidelines for each investment portfolio so that all assets are managed in accordance with stated objectives; (10/11) (6/22)
- Encouraging effective communications between the Board and service providers; (2/14) (6/22)
- Establishing formalized criteria to monitor and evaluate service provider results on a regular basis. (10/11) (6/22)

## 2. Objective

The investment objective is to preserve the asset's purchasing power, while providing a continuing and stable funding source to support the overall mission of the Foundation. To accomplish this objective, the Board seeks to generate a total return that will exceed the sum of: a) its annual spending amount; b) all expenses associated with portfolio management; and c) the eroding effects of inflation. The portfolio will be managed on a total return basis, consistent with UPMIFA. (6/22)

*See also Procedure 501 – Investments for additional information.*

# KIWANIS INTERNATIONAL FOUNDATION PROCEDURES

## SECTION 100: KIWANIS INTERNATIONAL

(Revised June 2022)

### 100 – DISTRICT CHAIRS FOR THE KIWANIS INTERNATIONAL FOUNDATION

- A. Term:** The district chair shall serve for a term of three (3) years. (2/18)
- B. Selection:** During years when the incumbent chair's term will end on Sept. 30, the Governor-elect that year shall submit, by January 15, one or more nomination(s) for the next chair to the Kiwanis International Foundation Board. Nominees will be considered by the Foundation Board at its second regular meeting of the year, in consultation with the district governor-elect and governor. Approval by the Foundation Board is required for any nominee to serve as chairman. (2/18)

If a vacancy in the district chair develops during his/her term, the incumbent Governor, in consultation with the incumbent Governor-elect, shall nominate a new chair to fill the vacancy for the remainder of the term, subject to approval by the Kiwanis International Foundation Board. (2/18)

- C. Duties:** The duties and responsibilities of the district chairs for the Kiwanis International Foundation shall be as follows: (7/14) (10/18)
1. Contact and motivate members to support the Kiwanis International Foundation with either a club gift or an individual gift.
  2. Work closely with the Foundation ambassador and staff to actively inform Kiwanians and specifically the club secretaries about the impact of the Foundation.
  3. Provide ongoing training, regular communication, and information updates regarding the Foundation to Kiwanians in the district.
  4. Make the Kiwanis International Foundation a philanthropic priority by making an annual contribution.
  5. Identify key issues and opportunities that will help shape the future of the Foundation.
  6. Review, understand and follow administrative and operational procedures associated with the promotion of the Foundation.
  7. Together with the Kiwanis International Foundation ambassador and staff representative, develop and execute a district strategy to raise annual unrestricted funds to support yearly revenue goals. (7/14) (10/18)

### 101 – KIWANIS INTERNATIONAL DISTRICT GOVERNORS-ELECT

The District Governor-elect is encouraged to establish and publicize goals for their year as Governor for the district to support the Foundation in the following ways: (7/14) (6/22)

- Encourage 100% participation of district clubs in Annual Club Gift Campaign; (7/14)
- Recognize at least one of the following in each division: new George F. Hixson Fellow, new Dr. Wil Blechman Fellowship, and new Heritage Society member; (7/14) (6/22)

## 102 - KIWANIS INTERNATIONAL DISTRICT GOVERNORS

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

- A. Meet the goals established while Governor-elect. (7/14)
- B. 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)
- C. Allow Foundation District Chair to publicly report at the District Convention and other District Meetings and at each District Board Meeting. (7/14)
- D. Personally become a member of the George F. Hixson Fellowship and the Heritage Society. (7/14)

(103-109 – Vacant)

# KIWANIS INTERNATIONAL FOUNDATION PROCEDURES

## SECTION 200: BOARD OF TRUSTEES

(Revised June 2022)

### 201 - ORIENTATION AND TRAINING

A training session for new Board Members will be held prior to the first meeting of the Foundation Board. (7/14) (6/22)

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)

### 202 - 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)

### 203 - 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. The meeting minutes shall reflect whether Board members attended the meeting in person or by electronic means. (7/14)

(204 – 209 – Vacant)

### 210 – AIR TRAVEL

#### 210.1 - 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)

#### 210.2 - Acceptable Reasons for Refusal

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

- Scheduled times of meetings do not coincide with available flight times.
- Layover time exceeds three hours or is less than one hour.
- Type of aircraft.
- Personal health reasons (requires prior approval).

(7/14)

#### 210.3 - 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)

**210.4 - 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)

(211 – 219 – Vacant)

**220 – EXPENSE REIMBURSEMENT (4/11)**

**220.1 - Board Meetings or Other Authorized Assignments** – For attendance at Board meetings or other authorized assignments, the members of the Foundation Board, other authorized personnel, and Foundation personnel shall be entitled to: (7/14) (6/22)

- 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)

**220.2 - Kiwanis International Council**

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

**220.3 - Trustees-elect**

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)

**220.4 - Meals and Alcohol**

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

# KIWANIS INTERNATIONAL FOUNDATION PROCEDURES

## SECTION 300: COMMITTEES

(Revised June 2022)

The Foundation Bylaws provide that: (1) Foundation shall have the standing committees stated in the bylaws; (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) (2/18)

### **301 – STANDING COMMITTEES (10/16)**

#### **301.1 - Development Committee**

The duties of the Development Committee shall be to: (7/14) (10/16)

- 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.

#### **301.2 - Finance and Investment Committee (10/16)**

The duties of the Finance and Investment Committee shall be to monitor all financial matters of the Foundation including but not limited to: (7/14) (6/22)

- Development of the annual budget.
  - Oversight of investments.
  - Review of interim financial statements and forecasts, as appropriate.
  - Analysis of administrative, fundraising, and programmatic costs and ratios.
- (7/14) (6/22)

#### **301.3 - Grants Committee (10/15)**

The duties of the Grants Committee shall be to:

- Define the criteria for awarding grants.
- Set the schedule for the consideration of all grant requests, review requests for grants and make funding recommendations to the Executive Committee or the full board.

(7/14) (10/17)

#### **301.4 - Performance Assessment Committee (10/16)**

The committee shall submit a written report to the Board, which shall include: (10/16)

- 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.
- (10/16)

### **301.5 - Joint Committee (6/22)**

#### **A. Appointment of Trustees (7/14)**

The 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)

A nominee recommended to the Board should be a leader who possesses the following qualities: (7/14) (7/17)

- Is passionate for the children we serve
- Is passionate for Kiwanis International
- Will make the Kiwanis International Foundation a priority in time, talent, and treasure
- Has a global vision to make the world a better place
- Has the skills to work effectively with others
- Is goal-oriented, flexible, and willing to think outside the box
- Is able to think strategically about organizational change
- Has the initiative and capacity to raise funds to solicit significant gifts to support the foundation's work
- Is willing to motivate others in fundraising
- Is willing to make a personal financial commitment to support the children of the world through the foundation's work
- Has knowledge of not-for-profit organizations and how they finance
- Has knowledge of roles of endowments in not-for-profit finance
- Has the potential and capability for presidential leadership
- Wants to make a difference

(7/14) (7/17)

Candidates for the At-Large Seat must meet the specific criteria stated in Policy C. (6/19) (6/22)

The committee shall recommend up to four (4) nominees for Trustee to the Kiwanis International Foundation Board no later than the second Board meeting of the year. The number nominated shall be the same as the number of open seats to be filled the following year. (Per the bylaws, new Trustees are appointed by the Board at its second meeting of the year.) (7/14) (6/19)

#### **B. Appointment of Officers (7/14)**

The 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)

### **301.6 - Executive Director Performance Review Committee (6/22)**

Kiwanis International maintains a Performance Review Committee for the Executive Director which includes members of the Foundation Board. The Executive Director's performance shall be reviewed at least annually in conjunction with Kiwanis International in accordance with the process

established and maintained by Kiwanis International. The Foundation Board shall be advised any time this process changes. (See Reference Addendum for Kiwanis International Procedure 152 – Performance Appraisal and Oversight of the Executive Director .) (7/14) (6/22)

### **302 – SPECIAL COMMITTEES (10/16)**

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

- Past Presidents Committee
- Gift Acceptance Committee

(7/14)

#### **302.1 - 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)

#### **302.2 - 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)

# KIWANIS INTERNATIONAL FOUNDATION PROCEDURES

## SECTION 400: STAFF AND OFFICE OPERATIONS

(Established July 2017)

### 401 – 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)

# KIWANIS INTERNATIONAL FOUNDATION PROCEDURES

## SECTION 500: FINANCES AND INVESTMENTS

(Revised June 2022)

### 501 – INVESTMENTS (10/11) (6/22)

#### 501.1 – Guidelines (6/22)

**A. Time Horizon:** The guidelines are based on an investment horizon of beyond 10 years. Interim fluctuations in the financial position are to be expected and should be viewed in the context of the long-term objectives and strategies. The strategic allocation is based on this long-term perspective. (3/13) (6/22)

**B. Risk Tolerance:** The Board acknowledges that some risk to the value of the portfolio assets must be accepted in order to achieve the long-term investment objectives. (2/14) (6/22)

The Board assessed the financial health and future growth prospects for the Foundation in determining the ability to accept risk in investment returns. The Board determined that the totality of the factors suggest that the portfolio can tolerate interim fluctuations in market value and rates of return in order to achieve long-term objectives. (2/14) (6/22)

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;
  - Liquidity/marketability of assets; and
  - Volatility of returns.
- (3/13) (6/22)

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

- Principal preservation;
  - Preserving purchasing power;
  - Satisfying annual distribution requirements;
  - Growth in size of portfolio;
  - Stability of returns from year to year;
  - Liquidity;
  - Avoiding underperformance vs. benchmarks; and
  - Avoiding persistent negative returns. (10/18)
- (3/13) (6/22)

The investment objective is a long-term rate of return on assets that approximates 7.0%. The target rate of return 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) (6/22)

**D. Asset Allocation:** The Board believes that the 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 portfolio’s time horizon, risk tolerances, performance expectations, socially responsible investment policy, and asset class preferences were used to estimate an efficient asset allocation.

(3/13) (6/22)

The target asset allocation ranges are: (10/17)

	Minimum	Maximum
Equity	40%	85%
Fixed Income	5%	50%
Alternative Investments	5%	30%
Cash or Cash Equivalents	1%	30%

**E. 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)

**F. 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 portfolio within parameters set by the Board. Reallocations among asset classes shall reflect the following considerations: (2/14) (6/22)

- 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)

## 501.2 - Asset Class Guidelines

The Board believes that the objectives 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) (6/22)

**A. 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)

**B. 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)

**C. 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)

**D. 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 portfolio; (6/22)
- Provide liquidity for unanticipated cash needs; and (3/13)
- 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)

**E. 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)

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

### 501.3 - Governance Guidelines

- A. 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)
- B. Duties and Responsibilities of Investment Advisor:** The duties and responsibilities of the investment advisor retained by the Board include the following: (2/14)
- Manage portfolio 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; (2/14) (6/22)
  - Acknowledge and agree to their responsibility to comply with the policy set forth herein and as modified in the future; (2/14)
  - Exercise investment discretion within the policy objectives and guidelines set forth herein and also expressed in separate written agreements; (2/14)
  - Promptly inform the Board in writing regarding all significant and/or material matters and changes pertaining to the investment portfolio and the ownership, management or financial stability of the investment managers; and (2/14) (6/22)
  - Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the portfolio, including the responsibility to vote proxies related to the investment advisor's proprietary investment funds, 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) (6/22)
- C. 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)
- D. 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).

### 502 – ENDOWMENT FUNDS

#### 502.1 - Definition

Per UPMIFA, an "endowment fund" is "an institutional fund or any part thereof that, under the terms of a gift instrument, is not wholly expendable on a current basis." If a donor restricts the timing during which a fund may be used – often by restricting the organization's use to the "income" of the fund each year, then it is an endowed fund. Funds which the Board designates to be held long term or restricts so that the only assets available to be spent each year is limited to an

organization's spending policy are not considered endowment funds. These funds are defined as "board-designated funds" or "quasi-endowments." (6/22)

#### 502.2 - Governance

In accordance with UPMIFA, the Foundation shall consider the following seven (7) standards of prudence in deciding to appropriate or accumulate donor-restricted endowment funds: (6/22)

- A. The duration and preservation of the endowment fund
- B. The purpose(s) of the endowment fund
- C. General economic conditions
- D. The possible effect of inflation or deflation
- E. The expected total return from income and the appreciation of investments
- F. Other resources of the Foundation and
- G. The Foundation's investment policy

(6/22)

#### 502.3 - Modifications

In accordance with UPMIFA, gift documents may be modified: (6/22)

- A. By a court, upon application by the Foundation, if a restriction has become obsolete, inappropriate, or impracticable, or if, because of circumstances not anticipated by the donor, a modification of a restriction will clearly further the purposes of the fund
- B. By a court when a purpose becomes unlawful, impracticable, or impossible

(6/22)

#### 502.4 - Spending Policy (6/22)

- A. Objective:** The objective of the endowment funds spending policy is to preserve purchasing power of the endowment assets, balanced with the real need to provide predictable and steady support for the various scholarships and programs. (6/22)
- B. Strategy:** The Foundation's spending policy and investment policy are designed to work together to preserve the inflation-adjusted value of the portfolio over time. Annual adjustments to the recommended spending percentage may be necessary to ensure the Foundation is not unnecessarily accumulating assets nor experiencing accelerated principal erosion. In making any changes to the spending percentage, the Board will consider UPMIFA's seven standards of prudence as stated earlier in this procedure and will thoroughly document the discussion and decision. (6/22)
- C. Administrative Fee:** The Foundation charges each individual endowment fund an administrative fee. This fee is used to offset unrestricted operating budget expenses related to the management of the endowment. Administrative fees will be charged annually to all endowed funds, regardless of whether they are underwater or not. (6/22)
- D. Spending Percentage:** The spending percentage for endowment funds shall be five percent (5%), which shall be comprised of a distribution/grant of four percent (4%) and an administrative fee of one percent (1%). At no time shall the endowment spending percentage exceed seven percent (7%). (Excess of 7% is deemed imprudent by UPMIFA.) (6/22)
- E. Spending Allowance Amount:** The calculation of the spending allowance amount is based on each endowment fund balance as of the calculation date of December 31 of the preceding year. Example: The spending allowance amount for the 2017-18 budget year will be determined based upon 5% of the total fund balance as of December 31, 2016. A portion of this is the administrative fee (1%) retained by the Foundation and the remainder is available for distribution/granting (4%). (6/22)

**F. Eligibility for Distribution:** All endowment funds that are not underwater\* are eligible for spending subject to the above parameters, with the exception that newly created endowment funds must be invested for at least 6 months prior to the calculation date to be eligible. (6/22)

The Foundation shall not spend from an underwater\* endowment fund unless: a) the original donor(s) consents in writing to the underwater spending; and b) the Board authorizes such spending with official board action/motion. (6/22)

\*An underwater fund is a fund with a fair market value on the calculation date that is less than the sum of the initial gift amount plus all subsequent gifts. (6/22)

**G. Unused Spending:** Any portion of the annual distributable funds not distributed in any given year will be retained in the individual endowment fund. (6/22)

#### **502.5 - Board Interpretation of UPMIFA – Audited Financial Statement Net Asset Classifications** (6/22)

The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanent endowment: (6/22)

- the original value of gifts donated to the permanent endowment
  - the original value of subsequent gifts to the permanent endowment, and
  - accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.
- (6/22)

The remaining portion of the donor-restricted endowment fund that is not classified in permanent endowment is classified as net assets with donor restrictions (i.e., temporarily restricted net assets) until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. (6/22)

#### **504 – GENERAL FUND** (6/22)

The General Fund is the primary source of unrestricted support for the programs of the Foundation. (7/14)  
(6/22)

#### **507 – DONOR ADVISED FUNDS (DAF)**

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\$25,000 shall be required to establish a donor-advised fund. Contributions to the fund can be made at any time. The Kiwanis International Foundation shall receive an annual one percent (1%) handling fee to manage donor-advised funds, based on current value on the calculation date of December 31 of the preceding year. (7/14) (6/22)

Donor Advised Funds will not be used for individual scholarships since the IRS prohibits DAF grants to individuals. DAF grants must go to a public non-profit organization that is recognized by the IRS. (6/22)

## **508 – RESTRICTED NON-ENDOWED FUNDS**

### **508.1 - Definition**

A restricted non-endowed fund is one in which there are donor-imposed restrictions on the fund but none of the fund balance is permanently endowed. In short, the entire fund balance (principal and investment earnings) of a restricted non-endowed fund is available for distribution. There are two types of restricted non-endowed funds: (6/22)

- A. Pass-through fund: Pass-through funds give the donor a convenient and beneficial option of donating to a cause or project where the whole donation is readily available for distribution. A contribution to a pass-through fund has an immediate impact on the cause/project. These funds normally have short duration (1 to 5 years). An example of a pass-through fund is the CKI WASH Fund (water, sanitation, and hygiene). (6/22)
- B. Program related fund: Program related funds give the donor the option of donating to a fund so that the whole donation is available for distribution, but the program life extends beyond 5 years. Examples of program-related funds are the Global Impact Fund and the David and Donna Batelaan Fund. (6/22)

### **508.2 - Investment Return**

Once the balance of a Restricted Non-Endowed Fund reaches \$100,000, the Foundation will allocate a portion of the investment return (net of investment fees) to the fund. In these cases, the fund will earn the identical return rates of those assets that the Foundation earns. (6/22)

### **508.3 - Administration Fee**

The Foundation will charge an administrative fee of one percent (1%) annually to all Restricted Non-Endowed Funds whose fund balance is over \$100,000 on the calculation date of December 31 of the preceding year. This fee is used to offset unrestricted operating budget expenses related to the management of the fund. (6/22)

(509 – 524 – Vacant)

## **525 – ACCOUNTING (11/21)**

### **525.1 - 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.

## **526 – BANKING ARRANGEMENTS**

### **526.1 - Authority**

The Executive Director or designee is authorized to: (6/16)

1. Establish the banking arrangements necessary to permit the Kiwanis International Foundation to conduct business in any nation or area in which Kiwanis has member clubs.
2. Execute advisory agreements on behalf of the organization.
3. Select and appoint investment advisors, managers, or other persons or entities with full power and authority to buy and sell securities in accordance with Foundation policies and procedures.

4. Execute any other financial arrangements directed or authorized by the Kiwanis International Foundation Board.
  5. Designate authorized signers for bank and investment accounts.
- (6/16)

**526.2 - Funds Administration**

When practical, cash receipts should be deposited to and disbursements should be made from United States bank accounts. When practical, funds deposited outside the United States will be transferred to United States bank accounts. Any gain or loss on transfer will be charged to Currency Exchange Cost. (6/16)

# KIWANIS INTERNATIONAL FOUNDATION PROCEDURES

## SECTION 600: GIFT ACCEPTANCE

(Revised June 2022)

### 601 - OUTRIGHT GIFTS

#### 601.1 - Cash and cash equivalents

- A. Cash gifts may take the form of checks, credit cards, wire transfers or payroll deductions.
- B. Cash gifts will be credited to the donor's record at actual cash value.
- C. Cash may be delivered in person, by mail, by electronic funds transfer (EFT), or by wire transfer.
- D. Cash gifts are complete on the date the cash is physically transferred to a representative of the Foundation and will be reported on the date the cash is processed by the Finance Department.
- E. Gifts of foreign currency will be valued at the U.S. dollar equivalent on the date the gift is received using the daily exchange rate.
- F. Recurring credit card payments will be accepted.
- G. Prior authorization must be sought through the Finance Department before any gift or pledge payment in excess of US\$20,000 can be made by credit card. The donor will be required to pay the merchant processing fee for the credit card transaction.
- H. Payroll deductions for Kiwanis International employees can be set up through the Human Resources Department.

(7/14) (6/22)

#### 601.2 - Publicly-traded securities

- A. The following will be accepted as outright gifts or toward pledges. (6/22)
  - Readily marketable securities listed on an exchange in which quotations are published daily.
  - Regularly traded in national or regional over-the-counter markets for which published quotations are available.
  - Shares of a mutual fund for which quotations are published on a daily basis in the United States.
- B. The value of securities is determined on the date the securities are received. The average of the high and low trading prices on the gift date determines the value of securities for reporting purposes. (6/04) (6/22)

(6/22)

#### 601.3 - Closely held securities (non-public)

- A. 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. (6/04)
- B. The Foundation Board must approve gifts of non-publicly held securities prior to acceptance. (6/04)

#### **601.4 - Real property**

- A. Donor Services will facilitate all due diligence efforts on proposed gifts of real estate prior to formal gift acceptance. This includes coordination with the General Counsel, Chief Financial Officer, Chief Philanthropy Officer and other applicable Departments. Upon completion of a prudent due diligence process, Donor Services will present recommendations to the Executive Director. Any acceptance requires the review and approval of the Executive Committee. (6/22)
- B. Real property includes improved or unimproved land, personal residences, farmland, commercial property, and rental property. (6/04)
- C. 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. (6/04)
- D. 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. (6/04)
- E. The donor must provide the following documentation: (6/22)
  - Property deed
  - Property tax bill
  - Property title report
  - Property American Land Title Association (ALTA) survey
  - Site plans or any other development studies prepared on the property
  - Any existing leases or agreements encumbering the property, including listing agreements with real estate brokers
  - Current property zoning
  - Phase one Environmental Assessment conducted by a qualified environmental consultant testing for hazardous substances on or around the subject property
  - Property appraisal(6/22)

#### **601.5 - Personal property**

- A. 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.
- B. The Foundation Board may approve such contributions only after a review indicates that the property is either readily marketable or needed by Kiwanis International.
- C. 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.
- D. 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. (6/04)

#### **601.6 – Gifts of Tangible and Intangible Personal Property (Gifts-in-kind)**

- A. The Foundation may accept gifts of many types of tangible and intangible personal property. Examples of gifts of tangible personal property include, but are not limited to: automobiles, boats, art, jewelry, furniture, antiques, rare books, manuscripts, and lab equipment. Examples of gifts of intangible personal property include, but are not limited to: computer software, royalties, patents, and copyrights. (6/22)
- B. 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)
- C. Donor Services, in consultation with the General Counsel and the Chief Financial Officer, is responsible for conducting due diligence review on all gifts of tangible and intangible personal

- property. (6/22)
- D. Before recording a gift-in-kind that the Foundation has agreed to accept, the Foundation is required to obtain documentation from the donor stating that the gift has been given to the Foundation and will not be required to be returned. Typical documentation includes: a signed and dated letter from the donor acknowledging the gift, including fair market value (FMV); a full description of the item; a completed and signed Internal Revenue Service (IRS) Form 8283 (for gifts with a fair market value of \$500 or more); and a completed appraisal from a qualified outside appraiser if the value of the gift is \$5,000 or more. In some cases, the Foundation may determine that a deed of gift, signed by both the donor and the Foundation, is required to document a gift-in-kind. (6/22)
  - E. Information about any gift of tangible or intangible personal property should be forwarded to Donor Services, which will determine if the gift meets IRS guidelines for tax deductibility. (6/22)
  - F. If a gift does not meet IRS guidelines for tax deductibility, the Foundation will thank the donor for the gift but not record gift credit on the donor's giving record. In such cases, the donor is encouraged to work with his/her financial advisor regarding tax implications. (6/22)
  - G. The gift acknowledgement issued to the donor for a gift of personal property will not show a value for the property. The receipt will describe the property received, and the donor's giving record will be credited with the estimated fair market value of the item, if appropriate. It is the responsibility of the donor to determine the value of a gift of personal property for tax purposes. (6/22)
  - H. All gifts of software must be coordinated through Kiwanis International Information Technology (IT) Department. Though useful and appreciated, generally gifts of software licenses are not countable as charitable donations as they are considered partial interests by the IRS. To be considered a charitable donation, software must be irrevocably transferred to the Foundation (not licensed) with no restrictions, no expiration nor requirement of renewal, no implicit or explicit exchange or purchase of services, nor any provisions to share exclusive information. (6/22)
  - I. The IRS has specific reporting requirements for the disposal of property received as gifts. Specifically, gifts valued at \$500 or more, which are disposed of within three years of the date of the gift, are subject to reporting to the IRS on Form 8282. (6/22)
  - J. Gifts-in-kind of services include such activities as printing of materials, appraisals, and design work, among others. These services can provide valuable support to the Foundation. However, the contribution of services, no matter how valuable, is not tax deductible according to the IRS. Therefore, the Foundation will not record a gift credit on the donor's giving record. (6/22)

## 602 – PLEDGES

### 602.1 - Substantiation

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. (6/04).

Financial Accounting Standards Board Statement (FAS116) requires non-profit organizations to regard pledges in much the same manner as accounts receivables. Therefore, there must be a clear understanding of the donor's payment intentions/schedule so that future anticipated payments can be value-dated. (6/22)

The following minimum information must exist to substantiate a pledge: (6/04)

- 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 financially capable of making the gift; (6/22)
- Changes to original pledges must be documented in writing. (6/04)

## **602.2 - Recording**

- A. The Finance Department and Donor Services will conduct annual reviews of all open pledges to ascertain viability and likelihood of fulfillment. Based on this review, the Chief Financial Officer will determine whether to record pledges on the Foundation's financial statements. (6/04) (6/22)
- B. Pledges and expected matching gifts will qualify for donor recognition, upon full payment of the pledge, in the appropriate giving level groups. (6/04) (6/22)
- C. 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. (6/04)
- D. Before defaulted pledges are written off, pledge deactivation requests must be reviewed and approved by the Chief Financial Officer. (6/04) (6/22)
- E. 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. (6/04)

## **603 - PLANNED/DEFERRED GIFTS**

Planned gifts will be utilized by the Foundation at some point in the future. These gifts are either irrevocable (cannot be changed by the donor once the gift is made) or revocable (can be changed by the donor at any time). Donor Services oversees the Foundation's planned giving programs, in consultation with the Chief Financial Officer and Legal Counsel as needed. Donor Services is responsible for due diligence review with respect to all planned gifts. (6/22)

### **603.1 - Charitable bequests**

Donors can make charitable bequests to the Foundation in wills or living trusts. (6/04)

### **603.2 - 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. (6/04)

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.

### **603.3 - 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. (6/04)

The Foundation shall not serve as trustee of charitable remainder trusts. (7/14) (6/22)

#### **603.4 - Charitable lead trusts**

This type of gift provides annual payments to the Foundation over a set period of time. 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. (6/04) (6/22)

The Foundation shall not serve as a trustee for a charitable lead trust, but will refer this type of agreement to a disinterested institution for management as approved by the Foundation Board of Trustees. (7/14) (6/22)

#### **603.5 - Revocable trusts**

Through a written agreement, the donor transfers assets to a trustee. Income is paid to the donor for the term of the trust. (6/04)

The Foundation shall not serve as a trustee for a 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) (6/22)

#### **603.6 - Gifts of life insurance**

Gifts of life insurance may name Foundation beneficiary of the policy or as beneficiary and owner. (6/04)

The Foundation shall govern life insurance gifts as follows: (6/22)

- For anything other than fully paid policies, the Foundation will not accept an obligation to make any future premium payments other than those covered by the policy's current cash value, unless the donor commits to making a gift to cover such payments. All such donations to offset premium payments will be unrestricted. (6/22)
- The donor must be aware that a charitable deduction for Federal Estate tax purposes is allowed for the amount of the death benefit if the Foundation is the a) named beneficiary of the policy and b) the policy owner. (7/14) (6/22)
- As long as the donor retains any incidents of ownership there is no deduction allowed. (7/14)

#### **604 - GIFTS OF SIGNIFICANT RISK (7/17)**

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
- (6/04)

#### **605 – NAMED ENDOWMENT FUNDS**

In order to create a named endowment fund, a minimum contribution of US\$25,000 is required. (6/22)

## **605 – 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 Procedures Section 300 – Committees for complete information. (7/14)

**606 – Vacant** (10/17)

## **607 – 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. (6/04)

# **KIWANIS INTERNATIONAL FOUNDATION PROCEDURES**

## **SECTION 700: PLANNED/DEFERRED GIVING SOCIETIES**

(Established July 2017)

### **701 – THE HERITAGE SOCIETY (10/15)**

Any individual(s) who informs the Foundation, in writing, that they have included the Foundation in their estate plan shall qualify for membership in The Heritage Society. (7/14) (10/18)

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

- By having an existing will or trust or making a new will or trust directing a percentage, fixed amount, or contingency statement, which will direct an eventual gift to the endowment fund. (10/12) (10/18)
- By naming the Foundation as a primary or secondary beneficiary of a new or existing insurance policy. (10/12)
- 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. (10/12)

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)

### **702 – 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)

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

- By having an existing will or trust or making a new will or trust directing a percentage, fixed amount, or contingency statement, which will direct an eventual gift to the endowment fund. (10/09) (10/18)
- By naming the Foundation as a primary or secondary beneficiary of a new or existing insurance policy. (10/09)
- 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 members of The Mary and Bo Shafer Legacy Society will be published periodically without disclosure of gift method or gift amount. (10/09) (10/18)

### **703 – JOHN E. MAYFIELD LEGACY SOCIETY**

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\$100,000 shall qualify for membership in The John E. Mayfield Legacy Society. (10/18)

This may be accomplished in the following ways: (10/18)

- By having an existing will or trust or making a new will or trust and 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.

(10/18)

Unless otherwise requested by the donor, the members of The John E. Mayfield Legacy Society members will be published periodically without disclosure of gift method or gift amount. (10/18)

**KIWANIS INTERNATIONAL FOUNDATION PROCEDURES**

**SECTION 800: GRANTS**

(Established July 2017)

*(Section 800 is temporarily vacant at this time.)*

**KIWANIS INTERNATIONAL FOUNDATION PROCEDURES**

**SECTION 900: SPECIAL CAMPAIGNS**

(Established July 2017)

*(Section 900 is temporarily vacant at this time.)*

# REFERENCE ADDENDUM

(Updated April 2015)

## Contents:

- 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 on Document Retention and Destruction
- Kiwanis International Policy on Whistle Blowers
- Kiwanis International Procedure on the Executive Director Performance Review Committee

## Kiwanis International Policy and Procedure on Conflict of Interest

### 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. In the event the Executive Director deems that hiring such person would be in the best interest of the organization, the Executive Committee shall have the authority to waive this requirement upon request by the Executive Director. (1/08) (1/22)

### KIWANIS INTERNATIONAL PROCEDURE

#### 196 – CONFLICT OF INTEREST

##### 196.1 - 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 or Staff who has a direct or indirect financial interest, as defined below, is an interested person. (4/07) (4/15)

**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 substantial in nature. (4/07) (4/15)

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)

#### **196.2 - Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of the financial interest and be given the opportunity to disclose all material facts to the International Board. (4/07) (4/15)

#### **196.3 - Addressing a Potential 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 while the possible conflict of interest is discussed and voted upon. (4/07) (4/15)
- 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 attainable under circumstances that would not produce 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) (4/15)

#### **196.4 - 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, the Board shall take appropriate disciplinary and corrective action. (4/07) (6/10)

#### **196.5 - 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)

#### **196.6 - 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)

#### **196.7 - 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)

#### **196.8 - 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, which shall include, at a minimum, include the following subjects: (4/07) (4/15)

- 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 any joint venture arrangements or other transactions involving the Foundation (including but not limited to agreements to provide or to purchase goods or services) have resulted in private inurement or impermissible private benefit. (4/07) (4/15)

#### **196.9 - Use of Outside Experts**

When conducting periodic reviews, the Organization may, but need not, use outside advisors. The use of outside experts shall not relieve the International Board of its responsibility for ensuring that periodic reviews are conducted. (4/07) (4/15)

### **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)

- Constitutes harassment of another individual based on race, color, creed, national origin, age, or sex, including sexual orientation and gender identity. (10/21)
- Constitutes a criminal act that is clearly incompatible with the best interests of the public or of members of the Kiwanis family; or (4/12) (10/21)
- Constitutes repeated offensive or obnoxious behavior at Kiwanis events and activities. (10/21)

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 (10/21)**

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 unwanted touching at any time. (6/99)
2. Creating a hostile atmosphere. (6/99)
3. 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:** Within 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)

## Kiwanis International Policy on Document Retention and Destruction

### B. International Administration

#### 22. Document Retention and Destruction

The Kiwanis International Board charges Staff to maintain a comprehensive document retention and destruction process for both paper and electronic records relating to Kiwanis International operations in compliance with accepted standards and practices for the subject area the documents or records pertain to (i.e., employment, finance, tax, legal, board actions, etc.). (10/13)

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 Kiwanis International 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. (10/13)

## Kiwanis International Policy on Protection of Whistle Blowers

### B. International Administration

#### 23. Protection of Whistle Blowers

The Kiwanis International 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. (10/13)

## Kiwanis International Procedure on the Executive Director Performance Review Committee

### 152 - PERFORMANCE APPRAISAL AND OVERSIGHT OF THE EXECUTIVE DIRECTOR

#### 152.1 - Performance Review Committee

The Performance Review Committee for the Executive Director shall consist of the President, Immediate Past President, President-elect and Vice President of Kiwanis International, the President and Immediate Past President of the Kiwanis International Foundation, and the Chair and Immediate Past Chair of Kiwanis Youth Programs, with the Immediate Past President of Kiwanis International acting as Chairman. (10/90) (10/21)

#### 152.2 - Goals and Objectives

- A. Discussion:** Each year, no later than May 30, the Executive Director shall discuss with the Performance Review Committee possible goals and objectives for the Executive Director for the coming administrative year. These goals and objectives shall be compatible with the goals and objectives of the International Board. (10/90) (7/98)
- B. Preliminary:** No later than August 1, the Executive Director shall present a list of preliminary goals and objectives for the coming administrative year to the Performance Review Committee. These plans shall be consistent and compatible with the goals and objectives of the International Board. (10/90) (7/98)

- C. Finalization:** At the beginning of the administrative year, the Performance Review Committee shall meet with the Executive Director to review, delete, and/or add to the preliminary goals and objectives and finalize them. (10/90) (7/98)

No later than the end of the September/October International Board meeting, the Performance Review Committee will present to the Board the Executive Director's finalized goals and objectives for approval. (10/90) (7/98)

### **152.3 - Review Process**

- A. Quarterly:** No later than the end of the April/May International Board meeting, the Performance Review Committee will conduct an informal performance review with the Executive Director. This review will include the Committee's appraisal of the performance of the Executive Director as it relates to the goals agreed upon the previous October. At this time, in discussion with the Executive Director, the goals and objectives may be modified. If necessary, the appraisal may be written. The Performance Review Committee will provide a written summary of the quarterly meeting to the Kiwanis International and Kiwanis International Foundation Boards as well as the Executive Director. (10/90) (4/10)
- B. Annual:** Immediately prior to the September/October International Board meeting, the Performance Review Committee will conduct a formal performance review with the Executive Director. This review will include the Committee's written appraisal of the performance of the Executive Director as it relates to the goals agreed upon the previous October. The appraisal, along with a recommendation for any compensation adjustment, shall be presented by the Performance Review Committee to the Board for approval at an Executive Session at the September/October Board Meeting. A summary of key points will be shared with the Kiwanis International Foundation Board and the Kiwanis Youth Programs Board. (10/90) (10/21)
- C. File:** Each written appraisal will be placed in the Executive Director's personnel file maintained in the Human Resources Office. (10/90) (7/98)

### **152.4 - Compensation**

The annual appraisal shall be one of the factors considered in determining compensation adjustment, if any. The appraisal and compensation adjustment shall be identified in writing and be placed in the Executive Director's personnel file maintained in the Human Resources Office. (10/90) (7/98)

### **152.5 - Other Discussions**

The foregoing does not prohibit the International President or the Performance Review Committee from discussing with the Executive Director at any time during the administrative year the Executive Director's performance. (10/90) (7/98)

### **152.6 - Responsibility**

If the Performance Review Committee should fail to conduct the appraisals, as outlined above, it is the Executive Director's responsibility to request that the appraisal be conducted and document such initiative. (10/90) (7/98)

### **152.7 – Semiannual Expense Review**

On a semiannual basis, the Executive Director shall submit a report of expenses to the Kiwanis International Board Committee on Audit and Finance for review. This report and review shall include expenses for all items and activities in which the Executive Director is a direct participant. (1/08)