

Sample Policies

The New 990 Sample Policies Table of Contents

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Note on Policies and Procedures

The Policies and Procedures presented in this document are provided for illustrative purposes and are meant to provide a starting point for you to think about what each of these policies and procedures may be for your organization. Each organization may have unique needs that are not addressed in these examples or these examples may prove too detailed for other organizations.

Sample 990 Review Policy

[Part VI, Line 10]

“Our policy is to present the Form 990 to the full Board of Directors including significant schedules. Each member of the Board of Directors will receive a copy of the Form 990 prior to the submission of the form to the Internal Revenue Service. We will not file the Form 990 until all members of the Board have reviewed the completed Form 990.”

Sample Compensation Process

[Part VI, Line 15]

When hiring the Executive Director and other key employees, and thereafter on an annual basis, the Board will perform a thorough review to determine suitable compensation. This process is to include a review of comparability data by the Board of Directors or an Independent Compensation Consultant hired by the Board. Comparability data can include compensation surveys, written employment contracts and 990s of similar organizations. The board will retain documentation of the deliberation and final decision.

Sample Public Disclosure Policy

[Part VI, Lines 18 and 19]

“The Form 990 and Form 1023 are available to the public upon request. Copies will be provided immediately in the case of in-person requests. Requests received by written, phone, fax or e-mail means will be honored by directing the requestors to our website. The current Form 990 as well as for the previous 5 years (not including SCHEDULE B), Form 1023, conflict of interest policy, and annual report can be found on the organization’s website in Adobe format. We reserve the right to charge a reasonable copying fee plus actual postage for multiple copies requested from the same individual or related group of individuals.”

Sample Conflict of Interest Policy*[Part VI, Line 12a]*

“Board members are to disclose in writing to the entire board if they, or any member of their immediate families, or any organization with which they are affiliated, presently transact business with From Learning to Earning or might reasonably be expected to do so in the future.

“An affiliation with an organization will be considered to exist when a board member or a member of his or her immediate family is an officer, director, trustee, partner, employee or agent of the organization; or owns five percent of the voting stock or controlling interest in the organization; or has any other substantial interest or dealings with the organization.

“Board Members with such relationships will not be eligible to vote on matters directly pertaining to the business to be transacted with the identified person or organization or on issues that may result in any benefit inuring to the benefit of the identified person or organization. Minutes of appropriate meetings are to reflect that such disclosure was made, that such board member abstained from voting, and that such board member was not counted for the purpose of determining a quorum.

“The foregoing requirements, however, are not be construed to prevent a particular board member from briefly stating his/her position on the matter, nor from answering pertinent questions of other directors by reason of the fact that personal knowledge on the matter may be of assistance to the other board members in reaching their decision.

“Board members maintaining no such relationships will attest to that fact in writing and agree to notify the board should their status change.”

Conflict of Interest Statement

I have read the above Conflict of Interest Policy and agree to its terms.

Name: _____

Signature: _____ Date: _____

*I hereby state that to the best of my knowledge I maintain **no relationship** with a person or organization as defined in the Conflict of Interest Policy that is currently transacting business or expected to transact business with [Name of Charity] _____.*

Name: _____

Signature: _____ Date: _____

*I hereby state that **I do have a relationship** with persons or organizations, as defined above and listed below, which might constitute, or lead to, a conflict of interest.*

Name: _____

Signature: _____ Date: _____

Entity	Relationship
Entity	Relationship
Entity	Relationship
Entity	Relationship
Entity	Relationship
Entity	Relationship
Entity	Relationship



Sample Document Destruction and Retention Policy

[Part VI, Line 14]

The Sarbanes-Oxley Act addresses the destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored.

Nonprofit organizations should have a written, mandatory document retention and periodic destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

The following table provides the minimum requirements.

This information is provided as guidance only in determining your organization's document retention policy.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Year end financial statements	Permanently
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

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Sample Whistleblower Policy

[Part VI, Line 13]

General

“Our Code of Ethics and Conduct (“Code”) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.”

Reporting Responsibility

“It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.”

No Retaliation

“No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.”

Reporting Violations

“The Code addresses the Organization’s open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee’s supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor’s response, you are encouraged to speak with someone in the Human Resources Department or anyone in management whom you are comfortable approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Organization’s Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or comfortable with following the Organization’s open door policy, individuals should contact the Organization’s Compliance Officer directly.”

Compliance Officer

“The Organization’s Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the Executive Director and/or the audit committee. The Compliance Officer has direct access to the audit committee of the board of directors and is required to report to the audit committee at least annually on compliance activity. The Organization’s Compliance Officer is the chair of the audit committee.”

Accounting and Auditing Matters

“The audit committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the audit committee of any such complaint and work with the committee until the matter is resolved.”

Acting in Good Faith

“Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.”

Sample Whistleblower Policy (continued)**Confidentiality**

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

Handling of Reported Violations

“The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation”.

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