

Draft 1

November 15, 2017

Cumberland Historical Society Policy & Operating Procedures

1. Glossary of Terms

- a. Society. Cumberland Historical Society; CHS
- b. Special Meeting. Any meeting not scheduled in advance that is called by the Chairman of the Board or by the majority of Board members
- c. Board. Board of Directors of the Society
- d. Quorum. The minimum number of unrelated members needed to count as an official meeting.

2. Membership

a General

- (1) Membership is open to anyone with an interest in the Town of Cumberland, Maine
- (2) Membership levels are:
 - (a) Individual
 - (b) Family (Living at one address???)
 - (c) Benefactor (Sustaining??)
 - (d) Corporate (Benefits of???)
 - (e) Student (Definition/Minimum age???)
- (3) Membership rates are set by the Board at the beginning of the (Fiscal) Year
- (4) Prospective members must complete a membership application ([Attachment 1](#)).
- (5) Dues are renewed annually on the anniversary of application.
- (6) Membership is free for students attending MSAD 51. (See above???)
- (7) Lifetime or Honorary (Emeritus) members are nominated from the general membership and are approved by the Board. If approved by the Board, dues are no longer required.
- (8) A member's duty to the Society is strictly voluntary and there is no obligation to serve in any other capacity.
- (9) The current Dues Schedule will be posted on the Society's web site. ([Attachment 2](#)).

b Processing a Membership Application

- (1) Membership Recorder (What is the name of this person)
- (2) What happens once membership app is received... process... updated info sent to the Secretary. Stored on a centralized computer?

3. Communication...Internal Board

- a. In most cases, discussion and decisions should be made at scheduled Board Meetings. When situations emerge because of time constraints or emergency situations, electronic means can be substituted.
- b. In all cases, every attempt should be made that board members receive at the same time.
 - (1). Decision Making Proposals:

(a) The person initiating the “request for a decision” will disseminate the proposal, background information, and recommendation to ALL Board members either by email, by standard post office mail to those who do not have or wish to use email.

(b) All discussion by email will require “reply all” to be used. The person initiating the discussion topic will mail the hard copies and will ensure there is adequate time for all members to review before the next scheduled Board meeting.

(c). The initiator of the proposal will summarize the discussion that ensued in writing and will present the updated discussion at the next Board Meeting. A quorum at the Board meeting will vote on the proposal.

(2) Dissemination of Information (not requiring decision making):

(a) General Information can be disseminated by email and mail.

(b) No written summary is necessary to be presented at the next Board Meeting.

4. External Communication

(1) Newsletters. General membership newsletters will normally be distributed electronically unless a member desires a hard copy as indicated on their membership application. Notifications may be sent out separately by email or hard copy to members, but distribution should be times so members receive around the same time.

Hard copies will be sent by USPS. [Needs to be addressed... who writes articles, when does it go out, who edits, what kind of information is included.](#)

(2) Web Page

(3) Town Crier

(4) Facebook

(5) Local Media

5. Meetings

a. Board of Directors Meetings

b. General Membership Business Meetings.

(1) At a minimum, a general membership meeting will be scheduled in October at a day and time set by the Board.

(2) A 10 business day notice will be sent to all members with an agenda to be discussed.

c. Special Business Meetings

d. Robert’s Rules.

e. Quorum.

6. Board of Directors

a. Minimum age. 18 years old or a senior in high school.

b. Compensation. Directors will not receive compensation for participation on the board. However, they may be compensated for any personal out-of-pocket expenses incurred on behalf of the Society with prior approval of the Chair.

c. Duties

- (1) Ensure that the Society is faithfully fulfilling its charitable purpose and are responsible for governing the organization.
- (2) Oversee fiscal responsibility
- (3) Ensure transparency and accountability of operations within the Society
- (4) Oversee all investments in the Society are in its best interest
- (5) Ensure the museum is properly maintained
- (6) Oversee the acquisition of artifacts and storage
- (7) Develop long term strategic planning
- (8) Approve annual operating budget
- (9) Develop and approve capital improvement budget
- (10) Appoint a curator

d. Term Limits

e. Separation of Duties

f. Absences

g. Vacancies/Resignations

h. Rights as Board Members

- (1) Reasonable access to the curator
- (2) Reasonable access to internal information of the organization. With at least five business day notice, any board member may inspect all books and records of the organization for the purpose of fulfilling his or her duties.
- (3) Board members should know that the organization has the power to purchase and maintain directors' and officers' insurance to cover board member expenses in case a board member is sued in connection with service to the board.

i. New Director Information Packet

- (1) The Office of the Attorney General, State of Maine, recommends that boards provide all new directors with a information packet.
- (2) At a minimum, the packet should include copies of the organization's articles of incorporation and bylaws, copies of any conflict of interest policy adopted by the board and

corresponding disclosure statements and a copy of the Attorney General's "Guide for Board Members of Charitable Corporations". ([Attachment 3](#))

7. Curator

a. The curator is appointed by the Board of Directors for a one year period and may be reappointed annually for one year periods indefinitely.

b. The curator is responsible for the daily operation of the museum and its artifacts.

[Appendix A.](#)

8. Duties of the Board...Officers

a. Chairperson. Presides at all meetings of the Society and will be entitled to vote on all matters. ([Position Description. Attachment 4](#))

b. Vice Chairperson. Presides at all meetings in the absence of the Chair. ([Position Description. Attachment 4](#)).

c. Treasurer. Responsible for all financial records and reports. ([Position Description. Attachment 4](#)).

d. Secretary. Responsible for the administrative support of the Board. ([Position Description. Attachment 4](#)).

9. Duties of the Board...Directors at Large

10. Scholarship Program

a. Applications

b. Essay Requirements

c. Award Criteria

11. Fundraising

a. Sponsors

b. Gifts

c. Grants

12. Resale Activities

a. Taxes

13. Committees

a. Membership Committee

(1) The function of the membership committee is to develop a marketing plan to retain and increase membership. The membership committee will develop the annual budget to implement the plan.

(2) The BOD will approve the plan. The Chair of the Membership Committee will update the Board quarterly. The Chair of the Membership Committee will not have a vote when the BOD discusses and votes on membership issues.

b. Nominating Committee

(1) The function of the nominating committee is to develop a slate of seven (7) potential board members to be voted on at the annual general membership meeting. No board member can serve on the nominating committee whose name will be on the slate.

(2) The Chair of the Nominating Committee will present the slate at the annual general membership meeting.

c. Finance Committee

(1) The function of the finance committee is to develop a capital expenditure budget, review the annual operating budget proposed by the Treasurer, oversee investments, saving, checking, and restricted accounts.

(2) The BOD will approve the plan. The Chair of the Finance Committee will not have a vote when the BOD discusses and votes on finance issues.

d. Program Committee

(1) The function of the program committee is to develop an annual program that addresses educational programs including general membership educational meetings, tours, and special events. The program committee will develop the annual budget to implement the plan.

(2) The BOD will approve the plan. The Chair of the Program Committee will not have a vote when the BOD discusses and votes on the annual plan. The program committee is responsible for advertising the programs through appropriate media.

14. Expenditures

a. General

All expenditures and commitments to spend Cumberland Historical Society (CHS) money shall be made according to the rules of this policy.

Any expenditure/commitment entered into in a manner contrary to this policy's requirements shall be addressed at a regular meeting of CHS officers and trustees who will (by majority vote) decide whether or not to require repayment from the person who spent or committed to spend CHS funds inappropriately.

"Expenditure" in this policy includes actual expenditures of money and entering into commitments to expend money.

b. Items up to \$100

Expenditures of \$100 or less may be made by the president of CHS without prior approval and without the need of any preliminary procedures. Such expenditures shall be documented and supported by receipts and forwarded to the treasurer. The treasurer shall report all such items to the officers and trustees at the next regular meeting. The treasurer shall immediately report any seemingly inappropriate items to the officers and trustees of CHS. Any item deemed inappropriate (based on simple majority vote of trustees and officers present) shall be reimbursed by the president. Any such expenditure made without president's approval shall be reimbursed by whoever made the expenditure.

The president may pre-authorize recurring monthly expenses of the Secretary up to \$100 in support of the secretary's duties (i.e. paper, envelopes, postage, printing, etc.)

c. Recurring Items

Recurring items (insurance, for example) shall be reported to officers and trustees adequately in advance of due date/commitment date for approval or to give adequate time for responses to whatever questions may be raised (and approved for further action by a simple majority of trustees and officers present).

d. Non-recurring purchases for items or contractual service in excess of \$100 and less than \$500

Such item or services shall be presented to trustees and officers present for approval or for identification of further procedures. Simple majority of trustees and officers present controls as to conclusions at each stage.

f. Non-recurring Expenses over \$500 for Purchases or Contractual Services

Purchases of supplies, equipment and services over \$500 will require written estimates from at least three vendors. If no such responses are available a statement explaining the procurement will be prepared and filed.

g. Other

Unless unanimously approved by trustees and officers present, no expenditures shall be made to and no commitments shall be made to any close family members of any trustee or officer.

This policy shall be amended swiftly to put it into conformity with any applicable legal requirement that CHS is made aware of and which is in conflict with any provision of this policy.

15. Document Retention and Destruction

This should address financial records and documentation including minutes of meetings required by the State and IRS in regards to 501(c)3 status. Other documentation should be addressed in Appendix A.

16. Transparency and Accountability.

17. Conflicts of Interest

a. IRS regulation for granting 501(c)3 status through Form 1023 require the board of directors of any nonprofit to be composed primarily of people who are not related to each other. IRS Form (Governance Check List) also reviews family and business relationships. This form is used for auditing purposes by the IRS.

b. A quorum is the minimum number of unrelated board members needed to count as an official meetings. Board members who are related through blood or marriage are considered related parties. The IRS typically considers grandparents, spouses, or siblings a relationship. Any relationship beyond an immediate family member, such as a cousin or aunt, is not normally considered a relationship in the eyes of the IRS.

c. Business partners are also considered related parties; if two or more individuals own 35% of a business, the IRS considers them related through business dealings.

d. All Board members will sign the Conflict of Interest Disclosure form after the annual election. [Attachment 5](#). The Secretary will ensure all Board members sign the form and that they are filed and open for review at any time.

18. Code of Ethics.

a. The Code of Ethics for the Society is posted at [Attachment 6](#). The statement ensures that all transactions are aligned with the values of the Society.

b. The statement will be posted on the Society's web site to be fully transparent and to demonstrate the Society's commitment to accountability.

19. Personal Liability

- a. No officer or director will be personally liable for the debts or obligations of the Society.
- b. The property or assets of the officers or directors will not be subject to the payment of debts or obligations of the Society.

20. Dissolution of the Society

- a. If the Society votes to terminate or dissolve, any assets lawfully available for distribution shall be distributed to one of more qualifying organizations described in Section 501(c)3 of the Internal Revenue Code of 1986. The organization or organizations should have a similar purpose of the Society.
- b. If the organization(s) to receive the assets is not agreed upon by the discretion of the majority of the Board of Directors and its members cannot agree, then the recipient organization shall be selected by the Court. Details of this procedure are described in Section 501(c)3 of the IRS Code as it pertains to the dissolution of non-profits. In general, the Court would give preference to organizations located in the Town of Cumberland.

21. Prohibited Distributions

- a. No part of net earnings or properties of the Society, on dissolution or otherwise, shall benefit or be distributable to the Society's member, directors, officers, curator, or other private persons.
- b. Exception. The Society is authorized and empowered to make pay reasonable compensation for services rendered and to make payments and distributions to further the purposes of the Society as described in its purpose as described in the By Laws.

22. Restricted Activities

- a. No substantial part of the Society's activities will be the carrying on of propaganda or otherwise attempting to influence legislation. However, the Society can engage in voter registration and voter engagement activities.
- b. The Society can engage in public advocacy not related to legislation or election of candidates.

23. Prohibited Activities

- a. As a 501(c)(3) activity, the Society is prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate running for public office. The political campaign intervention prohibition is not intended to restrict free expression on political matters by leaders of organizations speaking for themselves as individuals.
- b. The prohibition applies to all campaigns (federal, state and local level).

Attachment 1
Membership Application

Attachment 2
Dues Schedule

Attachment 3

Guidance for Board Members State of Maine

Guide for Board Members of Charitable Corporations

May 2013

Dear Board Member:

As the state agency charged with protecting the public's interest in nonprofit corporations, the Office of the Attorney General offers this guidance to board members and prospective board members of those organizations.

This guide is meant to help you understand your rights and responsibilities during your service to a charitable organization, so that you can be a productive and effective member of your board, thus making your service as meaningful and as rewarding as possible.

Please keep in mind that this guide is not a substitute for legal advice from an attorney. While some of the guidelines state minimum legal requirements, others reflect our view of best practices. Following these practices will make your service as a board member a success.

As a board member of a nonprofit charitable organization you have the privilege and responsibility of serving the public interest. The Attorney General sincerely appreciates your willingness to serve the citizens of Maine.

JANET T. MILLS
Attorney General

What is a Charitable Corporation?

All nonprofit corporations in the State of Maine are either "public benefit" or "mutual benefit" corporations. "Public benefit" corporations are organized for charitable purposes and recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code. While some of the standards described within this pamphlet are applicable to both charitable (public benefit), and mutual benefit corporations, the guidance offered in this pamphlet is for directors of charitable corporations.

Public benefit corporations vary widely in their size and purposes. There must be at least three board members to properly constitute a public benefit corporation. No matter what the size of the board, the majority of the board members must not be financially interested in the organization. This means that most of the board cannot be employed by or have relatives who are employed by the organization. Examples of charitable corporations include volunteer fire departments, social service organizations, colleges and universities, hospitals, museums and youth sports leagues. These organizations operate on an exclusively charitable basis and collect, hold and expend funds solely for the benefit of the public.

Mutual benefit corporations are corporations that benefit their members not the public. They are not subject to the oversight of the Attorney General and include organizations such as homeowners' associations, labor unions and trade associations.

Your Duties as a Board Member

It is your job as a board member to ensure that the organization is faithfully fulfilling its charitable purpose. You and your fellow board members are responsible for governing the organization.

The law imposes two primary duties on board members: the duty of care and the duty of loyalty. The duty of care means that you must act with such care as an ordinarily prudent person would employ in your position. The duty of loyalty means that you must act in the best interests of the organization.

- You should keep copies of and read the organization's articles of incorporation and bylaws.
- You should attend board meetings and meetings of committees on which you serve and actively participate in board discussions.
- You should make sure that complete and accurate records of board activities are kept, including minutes of board and committee meetings and books of account.
- You should carefully read all the materials that you receive, such as minutes, reports and financial statements.

Know The Charitable Corporation's Managers

The board of directors is responsible for overseeing the charitable corporation's managers and setting their compensation.

- As a board member, you should actively participate in selecting and evaluating the organization's executive director or chief executive officer (CEO). The entire board should make the final decision to hire the CEO. Once the CEO is hired, the board should periodically review and assess the CEO's performance.
- A public benefit corporation that receives at least 25% of its funding from the government and compensates any officer or director more than \$250,000 annually must publish that information publicly.

The process for setting the CEO's compensation, the amount of such compensation, and the terms of such compensation should be approved by the entire board and should be sensitive to public concerns.

- Not all charitable corporations have an executive director or CEO. Board members of charitable corporations without an executive director or CEO should be involved in selecting and setting the salaries of any employees with authority to make decisions on behalf of the organization.

Look Out for Conflicts of Interest

As a board member, you have a duty to act in the interest of the corporation. Board members must avoid transactions in which they or their family members benefit personally, unless such transactions are fair to the corporation and approved by the full board.

- The board of directors may approve (before or after the fact) transactions which are fair to the corporation, even if a member has a personal interest, if the other board members know of that interest and the details of the transaction. Such approval requires a vote by a majority of the board members who have no direct or indirect interest.
- If the board is unable to make a decision regarding a transaction in which a board member has a personal interest, one or more board members may request that the transaction be approved by the Attorney General or by the Superior Court.
- The board should consider adopting a conflict of interest policy to help guide decision making when faced with conflict issues.

Because the interests of the organization as a whole are paramount, Maine law requires that no more than 49% of the individuals on the board of directors may be "financially interested persons." An individual who has received or is entitled to receive compensation for personal services rendered to the corporation by that individual within the previous 12 months is a financially interested person. The spouse, brother, sister, parent or child of the board member is also considered in determining financial interest.

The board should consider requiring directors to complete annually a disclosure statement listing other organizations or businesses in which they have a personal or financial interest.

Finally on the topic of conflict of interest, Maine law prohibits loans from charitable corporations to its directors or officers.

Safeguard Charitable Assets

The board of directors is responsible for insuring that charitable funds are used only to promote the corporate mission. In order to insure that the assets are properly managed, you as a board member should (with professional guidance if necessary) at a minimum:

- Make sure that the board develops an annual budget and maintains records of account.
- Require and review monthly financial reports (such as income and expense statements and budget status reports) from those charged with the day-to-day operation of the organization.
- The board should consider requiring dual check-writing authority and select one board member or person employed by the organization without authority to sign checks to reconcile the organization's bank statements on a monthly basis.
- Make sure that restricted gifts are used only for the purposes for which they were donated and keep separate track of restricted funds.
- Make sure that no transfer:
 - i. directly or indirectly benefits any board member, unless the transfer is fair to the corporation and properly approved by the board; or
 - ii. is to a board member or other person with influence over the organization if that person receives a benefit beyond its fair market value.
- Make sure that any transactions with for-profit entities (such as mergers and joint ventures) receive appropriate legal scrutiny since special rules apply.
- Be aware of the Uniform Prudent Management of Institutional Funds Act if your charity manages permanent endowment funds and the Uniform Trust Code if your charity manages or is the beneficiary of any trust funds.

Filing and Reporting Requirements

- Public benefit corporations must file an exempt organization return with the Internal Revenue Service - IRS Form 990ez, 990 or 990-PF. (990-PFs must also be filed with the Office of the Attorney General, 6 State House Station, Augusta, ME 04333-0006). **For more information on federal income tax requirements please contact the IRS at 877/777-4778 or visit the IRS website at www.irs.gov/.**
- All corporations must file certain documents with the Secretary of State, such as amendments to articles of incorporation and an annual report, which must be submitted by the 1st of June. **For more information on Secretary of State requirements please contact the Secretary of State at 101 State House Station, Augusta, Maine 04333-0101; 207/624-7752 or visit [the Bureau of Corporations, Elections and Commissions website](#).**
- Any charity that solicits contributions, directly or indirectly, must register with the Maine Department of Professional and Financial Regulation, unless specifically exempted. **For more information on charitable solicitation registration requirements please contact the Office of Licensing and Registration at 122 Northern Avenue, Gardiner, Maine 04345; 207/624-8624 or [visit the PFR website](#).**
- Certain acts of the organization, such as major proposed amendments to the articles of incorporation, adoption of the provisions of the Uniform Prudent Management of Institutional Funds Act, or a merger with, or sale or conversion to, a for-profit entity, must be reported to the Attorney General

Your Rights as Board Members

As a board member, you must be able to make informed judgments about important matters affecting the charitable corporation and the community it serves. The law entitles board members to reasonably rely on information (such as opinions, reports, or

statements, including financial statements and other financial data) from the charitable corporation's staff, outside advisors and board committees, to discharge duties. As a board member, if you do not have adequate information you have the right to get it.

- You have the right to reasonable access to management.
- You have the right to reasonable access to internal information of the organization. With at least five-business days notice, any board member may inspect all books and records of the organization for the purpose of fulfilling his or her duties.
- You have the right to reasonable access to the organization's principal advisors, such as its attorney or accountant.
- You should know that the organization has the power to purchase and maintain directors' and officers' insurance to cover your expenses if you are sued in connection with your service on the board. Even if such insurance has not been obtained, the organization must reimburse the expenses of any board member who is sued and successfully defends the lawsuit. Furthermore, the corporation has the authority to reimburse a board member in the event of a lawsuit, so long as the board member acted in good faith, regardless of the outcome of the lawsuit.

New Director Information Packet

The Office of the Attorney General recommends that boards provide all new directors with an information packet including, at a minimum, the following:

- Copies of the organization's articles of incorporation and bylaws.
- Copies of any conflict of interest policy adopted by the board and corresponding disclosure statements.
- A copy of this Guide for Board Members of Charitable Corporations.

This Guide was prepared by the Consumer Protection Division of the Maine Attorney General's Office to assist board members of charitable organizations with important responsibilities. It is only a guide and is not intended to prescribe how board members must act in all situations.

Copies of this Guide can be obtained from the Office of the Attorney General at 6 State House Station, Augusta, Maine 04333-0006; 207/626-8502.

Laws pertaining to nonprofit organizations including charitable or "public benefit" corporations, are found in Title 13-B of the Maine Revised Statutes, the Maine Nonprofit Corporation Act, and can be viewed and/or downloaded at www.mainelegislature.org/legis/statutes/.

Attachment 4

Position Descriptions

Chairperson.

1. Provide leadership and ensure the effective operation of the governing body and is accountable to the Board.
2. Acts as a direct liaison between the Board and the Curator
3. Serves as ex-officio member of all committees.
4. Preside at all meetings of the membership and the Board and any special called membership meetings.
5. Presents a report on the status of the Society at the annual meeting.
6. Plans the meeting and composes an agenda for each general membership meeting and directors meeting.
7. Ensure that decisions made at meetings are implemented.
8. Appoints all committees, temporary or permanent.
9. Works with the nominating committee to recruit new board members.
10. Acts as an alternate spokesperson for the organization
11. Ensures that all record keeping, reports, and certificates required by law are kept or filed.

Vice Chairperson

1. Understand the responsibilities of the Board Chair and In the absence of the Chairperson, be able to perform these duties in the chair's absence.
2. Occasionally, carries out other duties as requested by the Board of Directors
3. Attend all board meetings.
4. Participate as a vital part of the board leadership.

Secretary

1. Minutes. Record and maintain the minutes of each board meeting. Meetings may be recorded by voice recorder or by note taking. Minutes will be distributed in advance of the next meeting to all members either electronically or by mail so they can be reviewed before the next meeting. Minutes will be approved at the following meeting and then filed physically at the Society and on the Society's website.

Record who attend the meetings.

2. Record Maintenance

Maintain all company files in a manner compliant with organizational policies as well as any laws that regulate the 501(c)3. These documents may include the firm's article of incorporation, bylaws and employee contact lists, as well as financial records.

Develop and enforce policies regarding access to these confidential files. Security controls, such as who can access which files and what approvals are needed to do so, are examples of the many procedures that must be implemented.

3. Agenda for Meetings.

The Secretary will distribute the agenda to the Board or general membership so that members have 10 business days in advance to review the agenda

4. Board Roster.

The Secretary will maintain a list of members of the Board as well as committee members and will supply all board members with that list. The listing will include mailing addresses, phone numbers, and email addresses.

5. Conflict of Interest Disclosure Form. Ensures all Board members sign the form after the annual election and that they are filed centrally and are available for review.

Treasurer

1. Handle the money with high standards and set a tone of integrity.

- *Oversees cash, checks, and deposits.

- *The Treasurer should receive and reconcile the bank statements, OR write checks, but not both.

- * Incoming checks should receive immediate restrictive endorsement (preferably a bank stamp, or handwritten "For deposit only, ABC Bank, Account # 123445") and be deposited within a week, with no cash back.

- *Outgoing checks must be supported by an approved invoice, receipt, or a voucher prepared by the volunteer if a receipt or invoice isn't available.

- * Checks should require two signatures and never be signed in advance. Alternatively, the board might set a policy that permits one signature for small checks below a certain amount, say \$50, in order to help discourage checks from being signed in advance.

2. Manage the filings

- Keep a calendar of filing requirements and assign responsibility.
- File Form 990 - Except for churches and certain religious organizations, all nonprofits must file an IRS Form 990 annually. For fiscal years beginning in 2010, organizations with income less than \$50,000 (\$25,000 for 2009) need only file the online "e-Postcard," Form 990-N.
- File Form 1099 - Obtain an IRS Form W-9 from those providing paid services who are not your employees.
- File Form 1099-MISC to report payments totaling more than \$600 per calendar year to such persons. Forms and related instructions are available at the IRS website.
- Register with charitable solicitation agencies - Register, when required, with the charitable solicitation office in your home state as well as any state in which you regularly fundraise, including by email. Go to the Unified Registration Statement (URS) website for a summary of state by state requirements to determine if you must register as a charity, provide a copy of IRS Form 990, have a CPA audit or review, and whether the state accepts the streamlined URS application.
- Obtain permits and Licenses - Check on regulatory requirements before undertaking activities such as serving liquor at a special event, conducting a raffle, or starting a bingo night. Such laws vary from state to state. It may be helpful as a starting point to talk to another nonprofit leader whose organization is engaged in the same activity. Most state nonprofit associations have helplines or publish FAQs and other guides covering these types of issues.

3. Identify and manage risk

- * Leads the organization in safeguarding assets, data, and personal information.
- * Responsible for insurance purchase
- * Evaluates risks associated with volunteer screening, vehicle use, and special events.

4. Confirm contributions

A prompt thank you letter that includes what donors need for tax purposes is an effective way to keep your contributors up to date on the great work you're doing. The IRS says it's okay to send this information by email. When different financial duties are assigned to a variety of people, the chances increase that any misappropriated donations will be detected more readily.

There are exceptions for items of minimal value such as pens and mugs. See the discussion regarding "quid pro quo" donations in [IRS Publication 1771](#).

5.. Plan and evaluate with a budget

Expressed in financial terms, a budget is a map that shows what you plan to do and how you plan to get there. It's a key tool for getting everyone to agree on what your group will and won't do in the coming year. And in informal AVOs where internal controls are often lacking, the budget is your canary in the coal mine. An unexplained variance between a budgeted and actual line item of revenue or expense, for example, may be the first red flag signaling a more serious problem.

Preparing an effective budget starts with asking leaders to estimate what they'll need and to provide specific proposals for financing it. Reviewing last year's budget is a key part of the process. Cost and revenue estimates need to be reasonable and attainable. Avoid the temptation to 'wing' estimates or to be overly optimistic about contribution increases. At the same time, don't act like a watchdog at the gate of the treasury, opposing all new funding proposals with knee-jerk resistance.

7. Prepare timely financial reports

*Timely and reliable financial information is the underpinning of good stewardship and sound financial decision making. Without this information there's no way to track budget performance.

For AVOs with minimal cash flow or whose finances revolve around a single event, paper-based record keeping may be acceptable. A template treasurer's report with blanks for handwritten amounts can be just as effective as a computer-based system if the figures can be easily traced to supporting documents and are presented clearly. For such organizations, a simple monthly reconciliation of bank account activity classifying receipts and disbursements and reconciling beginning to ending cash balances may be enough to form the basis for a summarized quarterly financial report to the board.

As the organization grows, a switch to commercial accounting software such as QuickBooks(r) may be the best next step. It is vital at this juncture that you get set up with a proper chart of accounts and get the necessary training from someone with nonprofit accounting experience.

8. Recruit the next treasurer

Like other volunteers, the treasurer will not serve indefinitely. Unfortunately, some AVO treasurers entrench themselves and resist transfer of control. Throughout their term of service, effective treasurers encourage and equip fellow volunteers to participate in financial management duties. When it's time for the treasurer to pass the baton, these AVOs will enjoy the least disruption.

Attachment 5

Attachment 5 Conflict of Interest Disclosure Form

Note: A potential or actual conflict of interest exists when commitments and obligations are likely to be compromised by the nominator(s)' other material interests, or relationships (especially economic), particularly if those interests or commitments are not disclosed.

This Conflict of Interest Form should indicate whether the nominator(s) has an economic interest in, or acts as an officer or a director of, any outside entity whose financial interests would reasonably appear to be affected by the addition of the nominated condition to the newborn screening panel. The nominator(s) should also disclose any personal, business, or volunteer affiliations that may give rise to a real or apparent conflict of interest. Relevant Federally and organizationally established regulations and guidelines in financial conflicts must be abided by. Individuals with a conflict of interest should refrain from nominating a condition for screening.

Date: Name: Position:

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest:

_____ I have no conflict of interest to report.

_____ I have the following conflict of interest to report (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own:

1. _____

2. _____

3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Signature _____ Date _____

Attachment 6 Code of Ethics

Cumberland Historical Society Code of Ethics Policy Version 1.0

1. The purpose of this document is to define the code of ethics policy for the Cumberland Historical Society. The proper and ethical handling of all organization matters is in the best interest of the Cumberland Historical Society and an important duty that protects the integrity of the organization and its officers and members of the board of directors.

2. Definition of Ethical Behavior. All Cumberland Historical Society officers and members of the board of directors shall:

- *Adhere to the highest standards of ethical behavior in all philanthropic activities.

- *Operate as an active governing board that sets and regularly reviews all organizational policies, including those related to governance, conflict of interest, awarding grants, and finance.

- *Be expected to bring objective thinking and critical analysis to the organization's deliberations.

- *Be tolerant of the ideas and positions of others, and all matters will be approached with an open mind.

- *Base all decisions on the most complete and accurate information that is available, including being expected to familiarize themselves as thoroughly as possible with any information that is disseminated for a meeting.

- *Procure appropriate legal and financial management advice when necessary.

- *Ensure that all organization programs support the organization's published mission and continue to support the public good.

- *Have information readily available regarding grant programs, funding priorities and guidelines, and application requirements.

- *Maintain honest and constructive relationships with grant applicants, grantees, donors, colleagues, peers, and the public based on mutual respect, candor, transparency, and confidentiality.

- *Strive to include the perspectives, opinions, and experiences of the broadest possible cross-section of people to inform the organization's grantmaking/contributions, governance/staff structure, and business practices. Adhere to the highest standards of ethical behavior in all philanthropic activities.

Operate as an active governing board that sets and regularly reviews all organizational policies, including those related to governance, conflict of interest, awarding grants, and finance.

- *Be expected to bring objective thinking and critical analysis to the organization's deliberations.

- *Be tolerant of the ideas and positions of others, and all matters will be approached with an open mind.

*Base all decisions on the most complete and accurate information that is available, including being expected to familiarize themselves as thoroughly as possible with any information that is disseminated for a meeting.

*Procure appropriate legal and financial management advice when necessary.

*Ensure that all organization programs support the organization's published mission and continue to support the public good.

*Have information readily available regarding grant programs, funding priorities and guidelines, and application requirements.

*Maintain honest and constructive relationships with grant applicants, grantees, donors, colleagues, peers, and the public based on mutual respect, candor, transparency, and confidentiality.

*Strive to include the perspectives, opinions, and experiences of the broadest possible cross-section of people to inform the organization's grantmaking/contributions, governance/staff structure, and business practices.

*Honor donor intent through thoughtful deliberation.

*Be aware of the responsibility to fulfill all fiduciary and legal responsibilities in managing the organization's assets prudently and responsibly.

*Ensure that all financial reports are factually accurate and complete in all material respects and any forms required by the government are completed accurately by the Treasurer or a certified public accountant and filed in a timely manner.

*Utilize an adequate amount of administrative expenses to ensure effective accounting systems, internal controls, and other expenditures critical to professional management.

*Encourage continuous learning by officers, directors, staff, and grantees.

*Avoid the appearance or potential of any conflict of interest by disclosing in writing, at the earliest possible opportunity, any relationship that they may have with a current or prospective grantee or vendor in accordance with the organization's published Conflict of Interest Policy and Conflict of Interest Form.

3. Policy Activation. This policy becomes active and binding immediately.

Signed_____

Linda Fulda, Chairperson of the Board

Date_____

Appendix A

Operation of the Museum and Artifact Management

1. Curator Duties.

- a. Receive and record (assession) all articles loaned or given the Society and oversee assistants to ensure duties are handled properly. If “due care” is used in preserving all articles, responsibility for loss or destruction will not be assumed by the curator, either as an individual or as a representative of the Society.
- b. Arrange, catalogue, and exhibit collections at various places, including museums, universities, governments, and zoos.
- c. Maintain collections with conservators.
- d. Acquire important documents for storage or display.
- e. Clean and maintain documents and objects using special techniques.
- f. Catalogue and analyze valuable objects for researchers.
- g. Coordinate educational and public outreach programs, including workshops, lectures, and tours.
- h. Research topics surrounding the collection.
- i. Handle records and documents of potential value.
- j. Handle objects with cultural, biological, and historical significance.
- k. Administer the museum.
- l. Direct the acquisition of collections.
- m. Negotiate and authorize the purchase, sale, exchange, or loan of collections.
- n. Authenticate, evaluate, and categorize specimens.
- o. Oversee research projects and educational programs.
- p. Become an active participant in fundraising and public relations.
- q. Write and edit grant proposals and journal articles.
- r. Attend meetings, conventions, and civic events

s. Direct and oversee museum events.

2. Accepting Artifacts.

Relevance of item to the goals of the Society

Disposition of non-relevant items.

Accession documents

Storage records

Loan/display records

3. Budget.

The Curator will submit an annual budget to the Treasurer in June to address these purchases.

1. Procuring artifacts
2. Storage and preservation of artifacts
3. Acquisition of fund raising supplies
4. Maintenance of Museum
5. Dues to other societies, periodicals
6. Education and classes for curator, board members, and volunteers.

4. Office & Administrative

Filing of records, correspondence, newsletters

Where/ How? (paper in filing cabinets or digitally or both?)

Office supplies

Computers

Who can use, how, for what?

Document retention and destruction

How long by law, bearing in mind they themselves become artifacts

Storage of preservation supplies

Storage of fund raising items

Reference library

Donated genealogies, remembrances, diaries

5. Purchasing.

6. Scrap book Committee

7. Other:

1. Who opens and closes building? Who is the back up?
2. Is there a security checklist for closing ?
3. What to do in case of an emergency?
4. Who picks up the mail? How is the mail distributed?
5. etc etc etc