

# Altrusa International Foundation, Inc.



## Bylaws & Policies

Updated: *April 2021*

# ALTRUSA INTERNATIONAL FOUNDATION, INC.

## ARTICLES OF INCORPORATION

The undersigned, being three or more natural persons of lawful age, at least a majority of whom are citizens of the United States, do hereby adopt the following Articles of Incorporation, representing beforehand to the Secretary of State of the State of Indiana and all persons whom it may concern, that a membership list or lists of the above named corporation for which certificate of incorporation for which is hereby applied for, have heretofore been opened in accordance with the law and that at least three (3) persons have signed such membership list.

Be it further remembered that the following Articles of Incorporation and all matters heretofore done or hereafter to be done are in accordance with "An Act concerning domestic and foreign corporations not for profit, providing for fees, providing penalties for the violation thereof and repealing certain laws," approved March 7, 1935, and all acts amendatory thereof and supplemental thereto.

1. The name of this corporation shall be ALTRUSA INTERNATIONAL FOUNDATION, INC.
2. The purpose or purposes for which it is formed are as follows:
  - (a) to receive and administer assets and property exclusively for educational, scientific, literary and charitable purposes.
  - (b) to engage in, assist and contribute to the support of exclusively educational, scientific, literary and charitable activities projects.
  - (c) to dispose of any and all of the corporation's assets and property to or for the benefit of any corporation, organization, fund or foundation operated exclusively for charitable purposes.
  - (d) to make and award, without limitation as to amount to any one recipient, donations, gifts, contributions, scholarships, grants, fellowships and loans from the income, assets and property of the corporation but only and exclusively for educational, scientific, literary and charitable purposes.
  - (e) to continue as a corporation under its corporate name in perpetuity.
  - (f) to sue and be sued in its corporate name.
  - (g) to have a corporate seal and to alter the same at pleasure.
  - (h) to acquire, own, hold, use, lease, mortgage, pledge, sell, convey, or otherwise dispose of property, real or personal, tangible or intangible.
  - (i) to carry out its purpose in the State of Indiana and elsewhere, to have one or more offices out of the State of Indiana and elsewhere, to own, hold, use, lease, mortgage, pledge, sell, convey or otherwise dispose of property, real and personal, tangible or intangible, outside the State of Indiana.
  - (j) to acquire, own, hold, vote, sell, assign, transfer, mortgage, pledge, convey, or otherwise dispose of the capital stock, bonds, securities or evidences of the indebtedness of any corporation, domestic or foreign, insofar as the same shall be consistent with the purposes of the corporation.
  - (k) to appoint such officers and agents as the affairs of the corporation may require and to define their duties and fix their compensation.
  - (l) to make Bylaws for the government and regulation of the corporation's affairs.

- (m) to cease the corporation's activities and to dissolve and surrender its corporate franchise.
- (n) to do all acts and things necessary, convenient or expedient to carry out the purposes for which the corporation was formed.

All of the purposes and powers of the corporation are subject to the conditions and limitations that no part of the net earnings of the corporation shall incur to the benefit of any private member, shareholder or individual, that no substantial part of the activities of the corporation shall be devoted to carrying on propaganda or otherwise attempting, to influence legislation, and that the corporation shall engage in no act of or activity which will deprive it of tax-exempt status under the income, estate and gift tax provisions of the statutes of the United States of America.

- 3. The period during which it is to continue as a corporation is perpetual.
- 4. The post office address of its principal office is c/o C.T. Corporation, One North Capitol Avenue, Indianapolis, Indiana 46204
- 5. The name of its resident agent is the C.T. Corporation System, Inc.
- 6. The post office address of its resident agent is One North Capitol Avenue, Indianapolis, Indiana 46204.
- 7. If the memberships are to be divided into classes the designations of the different classes and a statement of the relative rights, preferences, limitations and restrictions of each class, together with a statement as to the voting rights of any such class:
  - (a) **CLASS.** The membership shall be of one class only.
  - (b) **ADMISSION.** The exact number and tenure of members and the terms of and requirements for membership shall be fixed by the Bylaws and may be changed from time to time by amendment of the Bylaws.
  - (c) **VOTING RIGHTS.** Each member shall be entitled to one vote on each question presented at the meetings of the members.
  - (d) **MEETINGS OF MEMBERS.** Meetings of members, including both annual and special meetings, may be held at such place, either within or outside of the State of Indiana as shall be designated in the Bylaws, the notice of such meetings or waiver thereof.
- 8. The number of directors of this corporation shall be not less than three nor more than twenty-five (25), the exact number from time to time to be specified in the Bylaws. Whenever the Bylaws do not specify the exact number of directors, the number of directors shall be nine (9). The names and addresses of the first Board of Directors are as follows:

- Ernestine Milner, 1 Guilford College, Greensboro, North Carolina
- Lucille S. Alexander, 4642 Birchwood Avenue, Jacksonville, Florida
- Marcelle K. Foote, 430 E. Fall Creek Pkwy., Indianapolis, Indiana
- Edith DeBusk, 716 Rio Grande National Building, Dallas, Texas

- Viva Boothe, 17754 South. College Road, Ohio State University, Columbus, Ohio
- Mamie D. Larsh, 1300 Fletcher Trust Building, Indianapolis, Indiana
- Hazel Williams, 332 South Michigan Avenue, Chicago, Illinois
- Thelma Hiatt, 412 Shellbark Road, Muncie, Indiana
- Elsbeth M. Percy, 264 Bay State Road, Boston, Massachusetts

9. The names and post offices of the incorporators are as follows:

- Ernestine Milner, Guilford College, Greensboro, North Carolina
- Lucille S. Alexander, 4642 Birchwood Avenue, Jacksonville, Florida
- Marcelle K. Foote, 430 East Fall Creek Parkway, Indianapolis, Indiana

10. A statement of the property and an estimate of the value thereof, to be taken over by this corporation at or upon its incorporation:

Contributions of money and other property to be received from donors in the amounts of values not now determined but estimated to be of substantial worth.

11. Any other provisions consistent with the laws of this state, for the regulation and conduct of the affairs of this corporation, and creating, defining, limiting or regulating the powers of this corporation, of the directors or of the members of any class or classes of members:

- (a)** The Board of Directors of the corporation shall be vested with all and complete authority to exercise all rights, powers and privileges now or hereafter conferred on the corporation by the laws of the State of Indiana, including the power to adopt, amend and repeal Bylaws and other rules and regulations for the conduct of the affairs of the corporation, to do all acts and things permitted by law in the acquisition, use, control and management of the property used by the corporation in addition to the required statutory offices and the elections of officers thereto, and to deal with, determine, settle and dispose of all other matters, whether ordinary and routine for extraordinary, emergency, unusual or otherwise, pertaining to the affairs of the corporation.
- (b)** No member of the corporation shall be individually or personally liable to the corporation or for any debt of the corporation.
- (c)** Meetings of the Board of Directors of the corporation may be held at any place, either within or without the State of Indiana, as shall be designated in the Bylaws, the notice or such meeting or waiver thereof.
- (d)** Neither the members nor the Board of Directors shall have power or authority to do any act which may result in depriving the corporation of a tax-exempt status under the income, estate or gift tax laws of the United States of America.
- (e)** an organization or organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the District Court of the County in which principal Office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

# ALTRUSA INTERNATIONAL FOUNDATION, INC.

## BYLAWS

### ARTICLE I

#### Name, Office, Seal and Purpose

##### SECTION 1. Name

The name of the corporation is Altrusa International Foundation, Inc. (hereinafter referred to as the "Foundation").

##### SECTION 2. Principal Office

The principal office of the Foundation is c/o CT Corporation System, One North Capitol, Indianapolis, Indiana 46204.

##### SECTION 3. Seal.

The seal of the Foundation shall be in the form approved by resolution of the Board of Trustees from time to time.

##### SECTION 4. MISSION

The Foundation is a humanitarian philanthropic organization whose mission is to empower Altrusans to provide effective local and global community service programs.

##### SECTION 5.

Wherever the feminine is used in these Bylaws, the terms shall also apply to the masculine.

##### SECTION 6.

"Association" refers to Altrusa International, Inc.

### ARTICLE II

#### Members

##### SECTION 1. Members.

The members of the Foundation are the members of the Board of Trustees of the Foundation.

##### SECTION 2. Voting.

Each member shall be entitled to one vote on each matter submitted to a vote of the members. All votes shall be cast in person. No votes by proxy shall be allowed. Digital decisions will be ratified at the next Board of Trustees Meeting.

##### SECTION 3. Transferability.

Membership in the Foundation is not assignable, nor transferable.

### ARTICLE III

#### Board of Trustees

##### SECTION 1. General Powers.

The affairs of the Foundation shall be managed by its Board of Trustees.

## SECTION 2. Number.

- (a) **Voting Members.** There shall be nine (9) voting members of the Board of Trustees.
- (b) **Ex-Officio Members.** There shall be three (3) ex-officio members of the Board of Trustees, without vote. They are:
  - (i) the Secretary & Director of the Foundation;
  - (ii) the legal advisor;
  - (iii) the Association representative, who shall be a member of the Executive Committee of the Association's Board of Directors appointed by the President

## SECTION 3. Selection.

- (a) **Trustees.**
  - (i) Eligible Districts shall select nominees, a slate of which will be presented to the delegate body at International Convention. Each District shall establish its own policy as to how its nominee shall be selected. A District may be represented by no more than one of its members on the Board of Trustees, although this limitation does not affect the Past Treasurer and the Immediate Past Chairperson. Each delegate entitled to vote at the Convention shall be entitled to cast one vote for each of the positions to be filled at such election.
  - (ii) The Governor of an eligible District will make a single nomination to the Foundation. A head shot photo in color, an express representation that the nominee qualifies as provided at Article III, Section 3(b), and a maximum one-page typed biography of the nominee must be provided to the Foundation Director at any time after October 1<sup>st</sup> of a non-Convention year and, in any event, by no later than January 15<sup>th</sup> of the Convention year.
- (b) **Qualifications for Nominees.** Each candidate for Trustee must meet each of the following criteria:
  - (i) Must be an Active or Active Retired member in good standing of an Altrusa Club, including Clubs-at-Large;
  - (ii) Must have current or prior experience with a charitable corporation or foundation, serving in an elected or appointed position with policymaking responsibility;
  - (iii) Must have served a full term as president of an Altrusa Club or a full term as president/chairman of an Altrusa Club Foundation; and
  - (iv) During all or part of the term for Trustee for which he/she is standing for election, he/she must not serve as (aa) An Association officer; (bb) an Association board member; (cc) a chair or member of an Association standing or special committee; or (dd) an Association special appointee. Service in such positions of the Association's Districts shall not disqualify a candidate (except during his/her term as Governor of a District).
  - (v) The Board of Trustees may appoint a member of the Board to serve on a task force or committee with Association appointees, when the subject matter to be evaluated may have a direct impact on the Foundation. (11-8-2012)
- (c) **Secretary.** The Secretary shall be the individual who holds the position of Foundation Director.
- (d) **Legal Advisor.** The Legal Advisor shall be a practicing attorney, shall be appointed by the Chairman for a four-year term beginning in a non-Convention year, and shall be approved by the Board of Trustees.

- (e) **Association Representative.** The Association Representative shall be selected by the Association's Board of Directors in such manner as it deems appropriate.

#### SECTION 4. Terms.

- (a) **Commencement of Terms.** All terms shall commence at the close of the biennial Convention of the Association in years in which such a Convention is held, and on August 1 in all other years, unless otherwise necessary by reason of a vacancy.
- (b) **Trustees.** The Trustees shall serve staggered terms of four years each. The Immediate Past Chairperson and Past Treasurer shall serve an additional two years. At each election, three nominees will be elected to four-year terms. No Trustee may serve more than one consecutive term.
- (c) **Secretary.** The Secretary of the Foundation shall serve a term co-extensive with his or her term as Foundation Administrator.
- (d) **Legal Advisor.** The Legal Advisor shall serve four-year terms, without restriction as to successive terms. This four-year term shall begin in non-Convention years.
- (e) **Association Representative.** The Association Representative shall serve a term co-extensive with her term as a member of the Executive Committee during the current biennium, as the case may be.
- (g) **Full Term.** A full term shall mean more than one-half of a term.

#### SECTION 5.

**Vacancies.** Vacancies occurring in the Board of Trustees caused by resignation, cessation of membership in the Foundation, removal, death or other incapacity shall be filled by a majority vote of the remaining Trustees, and any Trustee so elected shall serve until her successor is qualified. The Trustee, appointed to complete the unexpired term of another, shall be eligible for nomination and election as trustee if he or she has served less than two years on the foundation board.

#### SECTION 6. Removal from Office.

- (a) A member of the Board of Trustees may be removed from office for cause. "Cause" shall include, without limitation, failure to perform the duties of his or her office, failure without excuse to attend meetings of the Foundation or of a committee of which he or she is a member, or acting in such a way as to injure the reputation of the Foundation or to hamper its work.
- (b) Any member of the Board of Trustees may file written charges against a member of the Board of Trustees with the Chairman or Vice-Chairman, specifying the grounds for removal from office. The Board of Trustees shall hold a hearing on the charges. The Board of Trustees shall give thirty (30) days written notice, including confirmed-received electronic mail, delivered in person or sent by certified or registered mail or confirmed-received electronic mail, to such member, specifying the time and place of the hearing and the charges. Such member shall not participate in the proceedings of the Board of Trustees under this paragraph. The member is entitled to be present at the hearing, to be represented by counsel and to present a defense. The member is not entitled to be present during the Board of Trustees' deliberations or to vote. If the Board of Trustees determines, by a majority vote of those present, that cause for removal exists, the member shall be removed from office, effective immediately upon notice to him or her.
- (c) The removed member may appeal the determination of the Board of Trustees within fifteen (15) days of the decision of the Board of Trustees. In such event, the Board of Trustees shall hold an appeal hearing concerning the charges. The Board of Trustees and the removed member shall be given thirty (30) days notice of the appeal hearing by certified or registered mail or confirmed received electronic mail, specifying the time and place of the hearing and the matter which is the subject of the appeal. The removed member is not entitled to be present during the Board's deliberations or to vote. The Board of Trustees shall determine, by a majority vote of those present, whether its earlier determination should be overturned or affirmed. Its decision shall be final and shall be effective immediately.



## **SECTION 7. Compensation.**

Trustees may not receive any compensation for their services as Trustees, but the Board of Trustees may establish policies as to reimbursement of expenses incurred in the performance of their duties.

## **ARTICLE IV**

### **Officers**

#### **SECTION 1. Officers.**

The officers of the Foundation are Chairman, Vice-Chairman, Immediate Past Chairman, Treasurer, and ex officio Secretary. They shall hold office until their successors are qualified.

#### **SECTION 2. Selection.**

At the mid-year meeting preceding the International Convention, the Trustees shall elect, from among themselves, the Chairman of the Board and the Treasurer of the Foundation, who will begin service immediately after election of Trustees at International Convention.

Each current Board member whose term permits further service after the next International Convention shall advise whether she is willing to serve as Chairman or Treasurer or both.

Each Board member is permitted to nominate candidates for the positions of Chairman and Treasurer and may self-nominate.

The communications regarding willingness to serve and nominations shall be made to a neutral, non-voting Altrusan and, specifically, to the International Foundation's Legal Advisor.

The deadline for such communications shall be the Monday following Thanksgiving before an International Convention year, whereupon the neutral, the Legal Advisor, will promptly advise the Board of all willing candidates for both positions without identifying their nominators.

The candidates will be given an opportunity to speak to the Board about their qualifications, strengths, plans, etc.

Unless there is only one willing candidate for each position, the voting for same shall take place in writing and in secret, by emailed delivery of votes to the neutral the Legal Advisor.

Immediately following the election of Trustees at the Association's biennial Convention, the Trustees shall elect from among themselves a Vice Chairman, the Foundation Chair having been elected by the previous Board.

#### **SECTION 3. Terms.**

Chairman and Vice-Chairman shall each serve a two (2) year term, commencing immediately following the election of Trustees at the International Convention.

The Chair, Vice-Chair and Treasurer may not serve more than one (1) consecutive term (two years) in the same office. The Vice-Chairman shall not automatically succeed the Chairman.

#### **SECTION 4. Vacancies.**

Whenever a vacancy occurs in the office of Chairman, it shall be filled by the Vice-Chairman. Whenever a vacancy occurs in the office of Vice-Chairman, it shall be filled by the Board of Trustees. Whenever a vacancy occurs in the office of Secretary or Treasurer, such vacancy shall be filled by the Board of Trustees until a successor is qualified. When a vacancy occurs in the office of the Immediate Past Chair, the Board of Trustees shall appoint a Past International Foundation Chair to fill the position. The Immediate Past Chair appointee will not be disqualified, if he/she is from the same District as an elected Trustee, currently serving on the Board. In any event, the officer so appointed shall hold office until the next election of the Board of

Trustees or until his/her successor is qualified.

**SECTION 5. Duties**

The duties of the officers shall be those specified by the Board of Trustees.

**ARTICLE V**

**Meetings**

**SECTION 1. Meetings.**

The meetings of the members shall be conducted as a meeting of the Board of Trustees.

**SECTION 2. Annual Meeting.**

The Board of Trustees shall hold an Annual Meeting.

**SECTION 3. Special Meetings.**

Special meetings may be called by the Chairman or upon written petition signed by not less than a majority of the Trustees.

#### **SECTION 4. Notice of Meetings.**

Written notice stating the place, day and hour of the meetings shall be given to each Trustee not less than thirty (30) days before such meetings. Such notice may be given in writing, including confirmed-received electronic mail, or by attendance in person. Notice may be given by mail or confirmed-received electronic mail or mail telegram. Notice given by mail shall be deemed given upon deposit in the United States mail, postage paid.

#### **SECTION 5. Quorum.**

A majority of the Trustees shall constitute a quorum, and the act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Foundation.

#### **SECTION 6. Voting.**

Each member shall be entitled to one (1) vote on each matter submitted for a vote of the members. All votes shall be cast in person. No votes by proxy shall be allowed.

#### **SECTION 7. Mail Ballots.**

The Trustees may act by mail ballot, provided the mail ballot, together with a brief description and rationale of the matter to be voted on, is mailed to each Trustee by United States postage prepaid. Confirmed received electronic mail is an acceptable method for use with mail ballots. Ballots not returned within the period provided in the notice accompanying such ballot shall be counted as abstentions.

### **ARTICLE VI Committees**

#### **SECTION 1. Standing Committees.**

There shall be four (4) standing committees:

- Finance & Personnel
- Grants Committee;
- Development Committee;
- Education/Marketing Committee

#### **SECTION 2. Selection.**

- (a) **Chairmen.** The chairmen of the standing committees shall be appointed by the Foundation Chairman and confirmed by the Board of Trustees.
- (b) **Members.** The members of the standing committees shall be appointed by the Foundation Chairman in consultation with the respective committee chairmen, subject to the approval of the Board of Trustees.

#### **SECTION 3. Term.**

- (a) **Chairmen.** The term of the chairmen of the standing committees shall be two years.
- (b) **Members.** The term of the members of the standing committee shall be co-extensive with the terms of the respective committee chairman.

#### **SECTION 4. Removal and Vacancies.**

- (a) **Chairman.** A chairman of a standing committee shall be deemed removed when removed from his or her office as a member of the Board of Trustees.
- (b) **Members.** Members of a standing committee may be removed whenever a majority of the Board of Trustees shall determine that such removal is in the best interests of the Foundation.
- \*\*\* (c) **Vacancies.** Vacancies in the office of the chairmen of the standing committees shall be filled in the manner provided in Article VI, Section 2. A vacancy caused by the resignation, removal, death or other incapacity of a member of a standing committee shall be filled by the Foundation Chairman, in consultation with the committee chairman, subject to the approval of the Board of Trustees.

## **SECTION 5. Duties**

The duties of the committees shall be as set forth herein or as otherwise specified by the Board of Trustees from time to time.

- (a) **Development Committee.** To develop, implement and evaluate an overall strategic development plan, necessary to fulfill the mission of the Foundation.
- (b) **Education/Marketing Committee.** To communicate the purpose and activities of the Foundation to the members of the Association, the general public and target markets.
- \*\*\*(c) **Finance & Personnel.** To oversee the financial condition, investments and performance of the Foundation Investment Portfolio. To oversee the performance and duties of the Foundation Administrator.
- (d) **Grants.** To allocate and award funds for the Foundation based on criteria established by the Foundation Trustees.

## **SECTION 6. Special Committees.**

The Board of Trustees may establish such special committees from time to time as it deems necessary or desirable.

## **ARTICLE VII**

### **Contracts, Checks, Deposits, and Gifts**

#### **SECTION 1. Contracts**

The Board of Trustees may authorize any officer or officers, agent or agents of the Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation and such authority may be general or confined to specific circumstances.

#### **SECTION 2. Checks and Drafts.**

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

#### **SECTION 3. Deposits.**

All funds of the Foundation shall be deposited to the credit of the Foundation in such banks, trust companies or other depositories as the Board of Trustees may select.

#### **SECTION 4. Gifts.**

The Board of Trustees may accept on behalf of the Foundation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Foundation.

## **ARTICLE VIII**

### **Fiscal Year**

The fiscal year of the Foundation shall begin on the 1<sup>st</sup> day of June each year and shall end on the 31<sup>st</sup> day of May next succeeding.

## **ARTICLE IX**

### **Dues**

No dues shall be required or paid by the members of the Foundation nor shall any levies or assessments be imposed upon such members.

## **ARTICLE X**

### **Amendments to Bylaws**

These Bylaws may be altered, amended, or repealed and new Bylaws adopted by the majority vote of the Trustees at any meeting thereof.

## **ARTICLE XI**

### **Parliamentary Authority**

The rules of parliamentary practice in Robert's Rules of Order Newly Revised shall govern the proceedings of the Foundation, subject to any special rules, which have been or may be adopted.

## **ARTICLE XII**

### **Policies**

The Board of Trustees may adopt such policies from time to time as it may deem necessary or desirable.

## **ARTICLE XIII**

### **Indemnification**

#### **SECTION 1. Indemnification.**

Any person who, by reason of the fact he/she is or was a trustee or officer of the corporation, or is or was serving at the request of the corporation as a trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, is or was a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, shall be indemnified by the corporation, provided he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. Such indemnification shall be provided against expenses, including attorneys' fees, judgment, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action or suit by or in the right of the corporation, such indemnification shall be only against expenses, including attorney's fees, and in such case no indemnification shall be made in respect with any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the corporation, unless, and only to the extent that the court in which the action or suit was brought determines upon application, circumstances of the case the person is fairly and reasonably entitled to indemnity for such trustee, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any such action, suit or proceedings or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him/her in connection with the action, suit or proceeding. Any other indemnification hereunder, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the trustee, officer, employee or agent is proper in the circumstances because he/she has met the applicable standard of conduct set forth herein. The determination shall be made by the Board of Trustees by a majority vote of a quorum consisting of trustees who were not parties to the action, suit or proceeding, of if such a quorum is not obtainable, or even if obtainable if a quorum of disinterested trustees so directs, by independent legal counsel in a written opinion, or by the members of the corporation. The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which she reasonably believed to be in or not opposed to the best interests of the corporation, or, with respect to any criminal action or proceeding, that she had reasonable cause to believe that her conduct was unlawful.

## **SECTION 2. Expenses.**

Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding as authorized by the Board of Trustees in the specific case, upon receipt of an undertaking by or on behalf of the trustee, officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized herein.

## **SECTION 3. Scope**

The indemnification provided hereunder shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any applicable statute as amended from time to time, any bylaw, agreement, vote of the members of the corporation or disinterested trustees or otherwise, both as to action in their official capacity and to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a trustee, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

## **SECTION 4. Insurance**

The corporation may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee or agent of the corporation, or is or was serving at the request of the corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the corporation would have the power to indemnify him/her against such liability

## **POLICIES**

### **Policy 1. International Disaster Relief Aid**

A line item of expense for Disaster Relief Aid shall be established in the Foundation budget and the International Foundation shall handle disaster relief appeals as follows:

- (a) International Foundation Disaster Relief Aid**  
The International Foundation Chair has the authority to initiate a contribution to the appropriate relief agency for any disaster, whether natural or man-made (*i.e.*, mass shooting) occurring anywhere in the world.

  - 1. The Chair shall initiate a contribution to an appropriate relief agency in consultation with the staff, which will provide the Chair with the name of the relief agency in the area.
  - ii. The Chair shall be authorized to make a contribution of up to \$2,500 (US). Any larger sum or additional contribution for the same disaster shall require Board approval.
  
- (b) Governors' Disaster Relief Aid .** The International Foundation shall respond to disasters, whether natural or man-made, specific to the Districts. This Disaster Relief Aid will support the first/immediate response programs of Altrusa International Foundation and other relief programs.

  - 1. Monies from this fund may go to another relief agency to enhance overall first responder efforts.
  - ii. Requests for disbursements from this fund shall be initiated by a District Governor's request to the International Foundation.
  
- (c) Altrusa Club Disaster Recovery Aid.** The Foundation shall provide opportunities for Altrusa Clubs worldwide to address the unmet and otherwise unfunded needs of a community or area following a disaster, whether natural or man-made.

  - 1. Any disaster adversely affecting 100 or more individuals qualifies for programs to fill gaps left by other relief providers.
  - ii. Applications for these grants shall be initiated by an Altrusa Club President submitted to the District Governor for approval and forwarded to the International Office for review and approval by the Disaster Relief Committee.

### **Policy 2. Endowment Fund**

Established in 1992, the Endowment Fund is designed to be the legacy for the future and the chief source of income for all charitable activities of the Foundation. The Endowment Fund will be invested as specified in Policy 5.

### **Policy 3. Club 21 Program**

The Club 21 Program was established in 1997 to support children with HIV as a progressive healthcare initiative of the International Foundation leading into the 2<sup>nd</sup> P<sup>l</sup> century. Club 21 has since expanded to support summer camps for children who have other diseases and disabilities; as well as international organizations with missions in healthcare education;

- (a)** A separate fund within the Foundation

(b) Funds collected less direct expenses will be transferred to agencies providing services to children who are HIV positive or who have other diseases and disabilities, as well as international organizations, as recommended by the Grants Committee and approved by the Board of Trustees. Altrusa Clubs, Local Club Foundations, Districts, and District Foundations are ineligible to receive Club 21 grants.

(c) Individual Members

Membership for individuals includes a \$21.00 contribution per fiscal year to join Club 21. Individuals receive a “21” recognition pin for the 21<sup>st</sup> century mission of the program. The club will have a specific focus that can be changed but will continue from one biennium to the next.

(d) Club Level Club 21:

-The purpose of the Club Level Club 21 is to encourage local Altrusa Clubs (and Districts) to support Club 21.

- i. a club (or District) must make a minimum donation of \$210 within a fiscal year.
- ii. a ribbon recognizing club participation will be awarded and presented at the respective District Conference following the close of the fiscal year in which the donation was given.
- iii. individual member contributions may not be credited toward an annual club (or District) contribution.

(e) Appeal to Membership

The Club 21 Program, and all Foundation programs included, will be communicated to Altrusa membership annually to ask for their support, and membership to the program, if applicable.

#### Policy 4. Grants/Awards

(a) **Grants.**

Grants are awarded to implement local community service and literacy projects or to assist individuals to receive vocational assistance, start businesses and obtain employment, or to provide graduate school assistance to international students from developing countries.

- i. Altrusa Clubs and Districts are eligible to apply for (1) grant per cycle of the fiscal year.
- ii. Altrusa Clubs and ASTRA Clubs chartered September 1, 2019 or later are eligible to receive a one-time grant up to \$2,000 upon the next grant cycle. Applications must be received within one year of the club's charter date.
- iii. grants range from \$250 to \$ 4,000 based on need and the availability of funds, are subject to specific selection criteria for each category and are awarded according to the schedule adopted by Board.

(b) **Awards**

- i. **Anna H. Settle Community Leadership Award** is for individual achievement by volunteer service leaders.
- ii. **ASTRA Award** is to recognize the activities of Altrusa’s service group for young people ages 13-25.
- iii. **Letha H. Brown Literacy Award** is to recognize Altrusa achievement in literacy service projects.
- iv. **Nina Fay Calhoun Award** is to recognize Altrusa achievement in foreign relations
- v. **Mamie L. Bass Service Award** is to recognize Altrusans for their community service.

(c) **ASTRA Scholarships**

-These scholarships give the Altrusa International Foundation the opportunity to recognize high school senior ASTRA members who have grown through service in ASTRA. A winning applicant will have demonstrated exemplary Altruism within his or her community.

Four scholarships will be awarded annually in the following amounts:

- Two \$2,000 each
- Two \$500 each



## **Policy 5. Endowment Investment Policy**

The principal of the Altrusa International Foundation Endowment is to be held in perpetuity and only the earnings are to be used for program purposes. The earnings on the endowment are used to fund the overall grants program of the Foundation, the annual Letha H. Brown Literacy awards for the District winning literacy projects of Altrusa Clubs; ASTRA Scholarships and Awards; the Dr. Nina Fay Calhoun Awards and to fund the Anna H. Settle Community Leadership Award given by the Foundation to an individual whose leadership has made a significant difference in his/her community.

### **(a) Investment Objectives**

The investment objectives of the endowment fund are to support the mission of the Foundation to provide grants to Altrusa Clubs for literacy and other projects, while increasing the endowment and its ability to support future needs.

To meet this dual purpose of generating revenue for the grants program and increasing the size of the endowment, the endowment shall be invested to provide a high total return (income and capital gains) over the long term consistent with the preservation of principal. It is expected that earnings growth will match or exceed inflation, that the real (i.e., inflation adjusted) purchasing power of the endowment will be maintained and that fluctuations of returns will be modulated in order to provide stability of operating revenues.

### **(b) Asset Allocation**

The overall allocation targets for the endowment shall be between 0% to 70% invested in equity securities and the remaining balance shall be invested in cash or fixed income type investments. Since there is little need for liquidity, investments in cash or equivalents should be minimal and the endowment should generally be fully invested at all times. Within the asset allocation, sub allocations may be made to large, medium and small capitalization stocks, including international stocks. The allocation to international stocks will not exceed 20% of the investment portfolio. No direct investments are to be made in real estate, oil and gas, precious metals, commodities or other speculative asset classes.

### **(c) Quality of Assets**

The selection of individual securities for investment must be made in a prudent and conservative manner to avoid undue risk of capital loss. Investments should generally be limited to common stocks listed on major exchanges and investment grade bonds and generally should be easily marketable. Investments should not be made in fixed income securities rated lower than Baa, unregistered or letter stock, private placements, options, short sales, margin or leveraged investments, commodities or any speculative device. Certain so-called derivative products may be used tactically in furtherance of these policies, but they may not be used for risky or speculative purposes.

### **(d) Risk Tolerance**

To achieve its investment objective of high total return, the Foundation is willing to accept an overall level of market risk which does not exceed that of the relevant index of each of the various markets in which endowment funds are invested.

**(e) Diversification**

The investment objective is to broaden diversity and lower cost. No more than 20% of the portfolio may be invested in any one company or entity, except for obligations of the United States of American and its agencies. The endowment may not purchase more than 5% of a single issue of any corporate debt issuer.

**(f) Measurement of Performance**

The Board of Trustees, through its Finance Committee, will monitor the performance of its investment manager on a quarterly basis. Balanced consideration will be given to performance against the following benchmarks over one, three and five year periods.

- |                            |   |
|----------------------------|---|
| -Domestic Equities         | -Standard & Poors 500 Stock Index                         |
| -Small/Medium Cap Equities | -Russell 2000 Index                                       |
| -International Equities    | -Morgan Stanley EAFE Index                                |
| -Fixed Income              | -Barclay's Capital US Aggregate Gov't Credit & Government |
| -Intermediate              | -Cash Reserves  |
| -90 Day Treasury Bill      |   |

It is expected that the investment manager will generally exceed these benchmarks in order to justify the fees paid. The investment manager's performance will also be monitored relative to the universe of investment managers as monitored by Lipper Analytical services or other similar services at least annually.

**(g) Oversight**

The Finance Committee of the Board of Trustees will be responsible for overseeing and monitoring the endowment and the activities of the investment manager. The Finance Committee will meet quarterly with the investment manager to review portfolio status, activity and performance as reported in advance by the investment manager. The investment manager shall have the authority to select individual investments within the policy guidelines and full responsibility for their performance. The Finance Committee is authorized to act on behalf of the Foundation on matters falling within these policies and it may recommend policy changes to the Board of Trustees for their approval from time to time. The Finance Committee, with the approval of the Board, may retain or dismiss investment managers and determine the allocation of investable funds to each as it deem appropriate.

**(h) Spending Policy**

In order to maintain, and possibly increase, the real value of the endowment over the long term, annual spending from the endowment must not exceed the total return of the portfolio (including both income and capital gains) minus inflation.

At the same time, annual fluctuations in investment returns and inflation rates must be smoothed out to produce a stable and predictable stream of revenues from year to year to guarantee the ability of the Foundation to provide a regular grant making program. Accordingly, it will be the policy of the Foundation to spend each year an amount not to exceed 5% of the five-year (20 quarter) moving average of the endowment market value. For budgeting purposes this amount will be calculated as of each December 31<sup>st</sup> for the fiscal year beginning the following June 1<sup>st</sup>. The Finance Committee will review this formula from time to time against actual investment returns and inflation rates and recommend any appropriate changes to the Board of Trustees for their approval.

## **Policy 6. Original Endowment**

The Original Endowment Fund was established by District Four and interest income is used to support literacy-focused projects. Be it known that as of the 2005 fiscal year this Original Endowment Fund was combined with the Endowment Fund.

## **Policy 7. Donor Recognition**

- (a) **Lamplighter Recognition** is given to individuals who make (or on whose behalf is made) a designated Lamplighter contribution(s) to the International Foundation in the amount of at least \$500 (US) in a single fiscal or a single calendar year. Each such individual is designated a “Lamplighter” and awarded a “Lamplighter” pendant. A diamond chip will be added to the pendant for each successive \$500 (US) designated Lamplighter contribution in a single fiscal or a single calendar year to the International Foundation by the “Lamplighter” or on his/her behalf. A Lamplighter contribution can be made from Districts, Clubs and/or groups of individuals, as long as the donation(s) are designated and noted as a Lamplighter donation. An individual who has made (or on whose behalf is made) ten such \$500 (US) contributions shall be designated a “Lucente Lamplighter” and awarded a distinctive “Lucente Lamplighter” pendant.

\*\*\* After Lucente Lamplighter is awarded, the “Lamplighter” may continue to add diamond chips to the Lamplighter pendant for each successive \$500 (US) designated Lamplighter contribution in a single fiscal or a single calendar year to the International Foundation by the “Lamplighter” or on the Lamplighter’s behalf. (July 25, 2013)

- (b) **Club Lamplighter Recognition**. The purpose of the Club Lamplighter is to encourage local Clubs to support the Altrusa International Foundation and its programs.
- i. a club must make a contribution(s) to the Altrusa International Foundation that equals a minimum of \$500 within a single fiscal year.
  - ii. the Club will receive a patch designating that it has reached the Club Lamplighter Award level which will be presented at the respective District Conference following the close of the fiscal year in which the donation was given.
  - iii. club contributions may not be credited toward an individual annual contribution toward a Lamplighter pendant.
- (c) **Donor Roundtable** is the designation given to supporters of the Altrusa International Foundation, Inc. who have made a deferred gift to the International Foundation. Members of the Donor’s Roundtable will be recognized at the Altrusa International Convention for their commitment to the Altrusa International Foundation.
- (d) All bequests, including Donor Round Table Program bequests, shall be deposited in the Endowment Fund Account.
- (e) All Lamplighter contributions shall be accumulated and, on a regular basis, allocated at the direction of the Board of Trustees.

## **FISCAL POLICIES**

### **FISCAL POLICY 1:**

#### **Fiscal Year**

The fiscal year of the Foundation is June 1 through May 31.

### **FISCAL POLICY 2:**

#### **Fiscal Impact**

All motions for action of the Foundation Board must include the fiscal impact before action is taken.

**FISCAL POLICY 3: Budget Preparation**

- (a) The Secretary, Treasurer, and Finance Committee shall develop the budget for each year in conjunction with established goals and objectives. The budget shall contain estimates of all sources of income, and anticipated expenses. All budget information shall be expressed in U.S. dollars.
- (b) The proposed budget shall be presented to the Board of Trustees at its annual meeting for approval.

**FISCAL POLICY 4: Budget Control**

- (a) Neither Trustees, committee chairmen, or staff shall incur expenses payable by the Foundation other than those which have been specifically budgeted and approved, unless special provisions have been approved in advance.
  - i. If a committee chairman or special appointee requests additional funds not in the approved budget, written permission from the Foundation must be obtained before such additional expense is incurred. The Foundation Chairman may authorize an excess of twenty-five per cent (25 %), such percent not to exceed \$2,500 (US), for any budgeted item related to committees and appointees. Any greater amount requires the approval of the Board of Trustees.
  - ii. In managing the budget, the Foundation Chairman shall have the authority to adjust line items of expense in order to properly conduct the business of the Foundation, providing the total expenses do not exceed the approved budget.

**FISCAL POLICY 5: Cash Control**

- (a) The Board of Trustees shall have the authority to open bank accounts in the name of the Foundation. The Secretary and Treasurer shall be responsible for establishing banking relationships as shall be determined by the Board of Trustees.
- (b) The Secretary shall provide the Foundations' financial institutions with the resolutions and signatory authorization approved by the Board of Trustees.
- (c) The Finance Committee is authorized to invest the Foundation's funds according to the Endowment Investment Policies and in financial institutions or securities backed by the full faith and credit of the United States Government, which are insured by the U.S. Federal Government, not to exceed **\$250,000**. (US) in each institution. The Finance Committee is composed of Finance Chair, Co-Chair and the Officers of the Foundation.
- (d) The Secretary and Treasurer shall be responsible for the accounting system of the Foundation and shall utilize the information provided in the Management letter submitted annually by the independent auditors to insure proper financial management systems.
- (e) The Secretary shall oversee the receiving and depositing all funds of the Foundation as shall be determined by resolutions of the Foundation Board of Trustees. All invoices shall be issued in U.S. dollars, and all funds collected by the Foundation shall be in U.S. dollars, unless otherwise approved by the Board of Trustees. The Foundation Administrator shall make the deposits of all funds and request the issuance of checks per fiscal policy.
- (f) All checks, drafts or other orders for payment, notes or other evidences of indebtedness, issued in the name of the foundation shall be countersigned by such agents of the Foundation as determined by the resolution adopted by the Board of Trustees.

**FISCAL POLICY 6: Accounting**

- (a) The Foundation's accounting records and financial statements shall be maintained on an accrual basis.
- (b) Furniture and equipment shall be recorded at cost and depreciated on a straight line basis over their estimated useful lives.

**FISCAL POLICY 7: Reports**

- (a) The Board of Trustees shall provide for an annual audit of the Foundation by independent auditors.
- \*\*\*(b) The Secretary and Treasurer shall oversee the preparation of monthly financial statements, indicating income and expenses compared to the approved budget, which shall be distributed to the Finance Committee
- (c) Quarterly reports on contributions and grants shall be provided to the Board of Trustees.

**FISCAL POLICY 8: Planned Giving**

- (a) The purpose of the Planned Giving Program is to support the legacy of literacy and community service projects.
- (b) Supporters of the Foundation who have made a deferred gift will become members of the Altrusa International Foundation's "Donor Roundtable."
  - i. Donors will be recognized at the International Convention. (10-19-13)
- (c) Planned Giving Policies are available through the Altrusa International Foundation Office.
- (d) The Altrusa International Foundation Board of Trustees reserves the right to implement in part or in whole the Planned Giving Policies.

**FISCAL POLICY 9: Office Space and Staff Support**

- (a) Altrusa International, Inc. (the "Association") shall provide suitable office space, equipment, services and staff support for the operation of the Foundation. The Foundation shall pay a monthly administrative fee to reimburse the Association for expenses incurred on its behalf.
- (b) The amount of the monthly administrative fee for each fiscal year shall be determined by mutual agreement between the Board of Directors of the Association and the Board of Trustees of the Foundation and shall be outlined in detail in a letter of agreement signed by the Association's International President and the Chairman of the Foundation, biennially.
- (c) The Foundation's budget shall contain a line item for the expenses to be paid to the International Association.

**FISCAL POLICY 10: Fiscal Policies for Official Meetings, Travel, Committees and Appointees**

- (a) **Reimbursement of Expenses** - to receive reimbursement for any expense item(s) not billed directly to the Foundation, an expense report accompanied by receipt (s) shall be sent to the Foundation office no later than thirty (30) days following conclusion of the event. When no

receipt (s) has been issued, a signed statement with description of the expense (s) shall be required. Reimbursement checks shall be issued within ten (10) working days.

- (i) **Travel** - when it is the policy of the Foundation to pay the travel expenses of an individual, these expenses shall be paid in accordance with the following:
  - (aa) Travel shall be arranged in the most economical way possible. Economy class or equivalent should be used for all travel. Any costs for upgrading, stopovers, unnecessary indirect travel routes or penalties for ticket changes shall be the responsibility of the individual. The Foundation shall, if requested, give advance payment for travel expenses to non-United States members, upon receipt of an invoice of charges. Allowable travel expenses include ground transportation to and from the meeting site.
  - (bb) When traveling by car, reimbursement is made at the rate per mile established by the U.S. Internal Revenue Service. Reimbursement for traveling by car shall not exceed the costs of the lowest airfare between destinations.
  - (cc) When having to travel outside a Trustee's home country, the Foundation shall reimburse the cost of the medical insurance up to \$150.00 (US), if the member's insurance carrier does not provide coverage outside of the individual's home country..
- (ii) **Accommodations** - Arrangement for accommodations shall be made by the Foundation Administrator. When it is the policy of the Foundation to pay for accommodations, these shall be paid in accordance with the following:
  - (aa) The Foundation shall pay only for the cost of one half (1/2) of a double room. Those requesting a single room shall be responsible for paying the cost difference.
  - (bb) All hotel costs, other than daily room charges, are the responsibility of the individual and must be paid at the time of checkout.
  - (cc) When situations arise in which arrangements must be made independently, reimbursement shall not exceed the established rate of the hotel selected by the Foundation Chair.
  - (dd) If, because of a reduction in airfare, it is determined to be more economical to pay expenses for a longer stay than for the period that would have otherwise been allowed, the individual may be eligible for expenses for the additional days with the approval of the Foundation Chair or Board of Trustees.
  - (ee) Those traveling outside the continental United States may request reimbursement for one additional night's lodging prior to an official meeting, including meals and incidentals, with the approval of the Foundation Chair or Board of Trustees.

- (iii) **Meals and Incidentals** - These expenses shall be reimbursed as set forth below and include the actual costs of all meals and service gratuity.
- (aa) Actual expenses for meals and incidentals incurred shall be reimbursed up to maximum of \$60.00 (US) per day. This amount is not transferable from one day to another. Consequently, any meal and incidental expense, over \$60.00 on any one day are the responsibility of the individual. This includes functions provided by the Foundation.
  - (bb) No reimbursement shall be provided for alcohol beverages.
  - (cc) Local transportation is reimbursed for foundation functions, such as ride-sharing and travel to airport.
- (iv) **Expenses For Foundation Committees and Special Appointees** - Members of committees and special appointees shall be reimbursed for certain expenses required for carrying out their duties in accordance with the following:
- (aa) Reimbursements must be within the budget established.
  - (dd) To receive reimbursement for any expense, an expense report accompanied by receipt(s) shall be sent to the Foundation office no later than thirty (30) days after incurring the expense. When no receipt has been issued, a signed statement with explanation of expenses shall be required.
  - (ee) Reasonable reimbursement shall be provided for postage, photocopying, and telephone expenses incurred on behalf of the Foundation.
  - (ff) No reimbursement shall be made for the purchase or lease of office equipment or for secretarial or other clerical services.
  - (gg) Any materials to be reproduced, in quantity for meetings or other official events, shall be directed to the Foundation office for reproduction.
  - (hh) The Foundation's official stationery is available from the Foundation office for use by committees and special appointees. Reimbursement shall not be provided for printing stationery or business cards.
  - (ii) All other expenses shall be approved in writing by the Foundation Chairman before the expenses are incurred in order to receive reimbursement.
- (v) **Expenses for the Association Representative**  
The expenses of the Association Representative to the Foundation Board of Trustees are the responsibility of the Association.

(b) **Reimbursement to Trustees For International Conventions**

**Trustees**

**i. Travel Reimbursement for Altrusa International Convention**

Altrusa International Foundation, Inc. will reimburse travel expense(s) for Altrusa International Convention according to Policy 10 (a) (i) (aa)

- a. When traveling by car, reimbursement shall be made at the rate per mile established by the US Internal Revenue Service. Reimbursement for traveling by car shall not exceed the cost of the lowest airfare between destinations.

## **ii. Accommodations**

- a. The Foundation shall pay for the daily room charge and tax only of one-half of a double room. Those requesting a single room shall be responsible for paying the cost difference.
- b. All hotel costs, other than daily room charge and tax, are the responsibility of the individual and must be paid at the time of checkout.

## **iii. Meals and Incidentals**

- a. Actual expenses for meals and incidentals incurred shall be reimbursed up to a maximum of \$60.00 per day.
- b. No reimbursement shall be provided for alcoholic beverages.
- c. Expense reimbursement for the Foundation's Legal Advisor shall be the same as that of the International Foundation Trustees.

## **Incoming Trustees**

- a. Accommodations
  - i. Incoming Trustees will be reimbursed at the cost of one-half of a double room for one night's lodging to attend the post election Foundation Board of Trustees meeting.
- b. Meals and Incidentals
  - i. Up to a maximum of \$60.00 per diem for actual expenses for meals and incidentals incurred on that day.
  - ii. No reimbursement shall be provided for alcoholic beverages

## **iv. Convention**

- a. Registration to International Convention will be reimbursed for attending Trustees and appointees.

## **FISCAL POLICY 11: Record Retention Policy**

The Altrusa International Foundation, Inc. Record Retention Policy will encompass all the materials set forth in this document (as researched by the Rockefeller Archive Center) with a list of specific records to be retained and the appropriate retention period.

## **RECORDS RETENTION AND DISPOSITION GUIDELINES**

### **Introduction**

Non - profit organizations, like for - profit ones, need to retain certain records beyond current use needs, according to regulatory, legal, financial, and operational requirements. The records to keep and for how long may vary from organization to organization. Whether a record is in paper or electronic format does not determine its value or retention period; its content is the key factor.

Records referenced in this schedule include paper, electronic (including e - mail), and voicemail regardless of whether the record is stored in traditional containers such as file cabinets and boxes, or on a network server, desktop, laptop, handheld, or other device with text or instant messaging capability.

The following schedule is merely a sample of a typical non-profit's need for retaining records and reflects the minimum suggested retention period. When a record is no longer needed or required, it should be disposed of



properly in order to ensure that the data truly is no longer recoverable. Electronic records that are to be retained permanently must be pro-actively managed if the information is to remain viable, authentic, and accessible.

Several Federal and State laws contain recordkeeping requirements, including the Americans with Disabilities Act (ADA), Age Discrimination in Employment Act (ADEA), Equal Pay Act, Executive Order 11246, Family and Medical Leave Act (FMLA), Fair Labor Standards Act (FLSA), Health Insurance Portability and Accountability Act (HIPAA), Title VII of the Civil Rights Act of 1964, Immigration Reform and Control Act (IRCA), Occupational Safety and Health Act (OSHA), Employee Retirement Income Security Act (ERISA), and the Vietnam Era Veterans' Readjustment Assistance Act of 1974. Each organization should consult its own attorney and accountant, as well as federal and state regulators, for expert advice on records retention. Records management guidelines and schedules should be reviewed at least annually to be sure they comply with current requirements. For additional guidance, see your organization's Records Management Guidelines.

### **Categorizing Information**

Because the list above is not all-inclusive, you may need to determine whether a particular item is considered a record, and thus, subject to a records retention and disposition schedule. Some of the characteristics of a record are:

- Contains legal or regulatory compliance information
- Evidences a transaction
- Identifies participants in business activities or who had knowledge of an event
- Proves a business-related event or activity occurred or did not occur

It may be useful when making retention decisions to sort records into three categories – enduring value, limited value, and no value – and establish time periods to keep each group regardless of their form (paper or electronic).

#### **Category 1 – Records with enduring value**

Retain Permanently (Examples, not all inclusive):

- Agendas and meeting minutes
- Correspondence related to official business communications at the executive level to and from others inside and outside the organization
- Distribution list member names and e-mail addresses for each list
- Documentation of departmental and organizational decisions and operations
- E-mail transmittals – These are email messages which contain no substantive information but are sent only to provide attachments. Because the legal authenticity of an e-mail requires retention of its metadata (the transmission data), transmittals may supply a key part of the record.
- Grant proposals, approvals, reports
- Policy, program, and procedure directives

#### **Category 2 – Records with limited value** (Examples, not all inclusive. NOTE: Category 2 does not apply to records documenting essential organization, staffing, and procedures; see Category 1.)

Retain 3 years unless required longer for legal or regulatory purposes

- Budget records
- Day-to-day administration
- Facsimile machine logs
- Office services and equipment requests and receipts
- Supply orders and receipts
- Travel itineraries
- Utilities records

#### **Category 3 – Records of little or no long-term value** (Examples, not all inclusive)

Retain: 0 - 30 days or until no longer needed for reference

- Calendars (except for key executives)
- Copies of documents when the holder is not the official record keeper, sender, or primary addressee
- Copies of publications or other published reference materials
- Drafts, except for mission critical documents, program and policy changes, or original creative, artistic, and scientific works
- Informational, e.g. holiday closings, charitable drives, notifications of meetings
- Junk and SPAM mail, whether received via e - mail, fax, or traditional mail
- Messages to/from distribution lists (e.g. ListServes)
- Personal correspondence, e - mail, text messages, etc.
- Routine requests for information or publications and replies
- Scheduling of work assignments, work - related trips and visits
- Suspense files or 'to - do' and task lists that serve as a reminder that an action is required or a reply expected on a given date

### **Keeping Records Electronically**

As a best practice measure to minimize potential loss of information, whether from disaster, human error, or other causes, all electronic records should be copied with one copy stored in a separate locale and one maintained in house. ( The Altrusa Network is backed up daily to another physical location) Preferred removable media are archival quality, gold CDs or DVDs. Keep in mind that even though an archival quality optical disk may last over 100 years, the capability of reading it or accessing the data may be long gone. Both the Records Manager and IT manager should set up calendar reminders to migrate data from older media and formats at regular intervals to be sure the records remain viable for the required period of time. The current consensus is to test for degradation, refresh media, and migrate data every 5 years. The preferred formats are XML for born - digital records, PDF/A for text documents, and TIFF for images.

Migration decisions should consider the possibility of metadata loss or alteration; keyword search capability; the inability to annotate files; the necessity to maintain operating systems and software that supports original file formats; and the difficulty in tracing file users and dates. The terms, on - line, near - line, and off - line retention, are unique to electronic records, and refer to the type of storage media, **not** to the length of time the information in a particular record should be retained. The Records Manager and IT Manager should collaborate to decide which type of storage is appropriate for each category of record.

On - line retention period: usually refers to retaining data on magnetic disks for disaster recovery purposes, generally 1 week to 3 months.

Near - line retention period: data may remain on - site but on removable media such as CDs. Depending on the type of information contained, the records may be Category 1, 2, or 3. In the case of Category 1, Records with Enduring Value, the data may need to be migrated periodically to avoid loss of information from deteriorating media.

Off - line retention period: data may be stored off - site, typically on magnetic tapes. Like near - line retention, records in Category 1, Records with Enduring Value, should be transferred regularly to more permanent, stable media.

### **Storing Records**

Both the original digital records and the copies should be archived with each clearly identified and properly stored in an area with proper environmental controls. Originals may be kept segregated on a dedicated, non - networked server (recommended) in a secure space, or on removable media, or placed in a digital repository such as DSpace or Fedora, all with access limited to authorized Archivists. Originals or copies on CDs and DVDs should be stored in archival CD/DVD cases or Tyvek envelopes inside acid - free CD/DVD boxes. CD/DVD cases should be of inert polyester that does not release potentially harmful chemicals. Whether in cases or boxes, store the CD/DVDs vertically. Do not write directly on CD/DVDs unless using an archival soft tip pen and then write only on the clear center hub of the top side. Do not apply labels to optical media.

Alternatively, identifying information may be written on the Tyvek envelope fold - over tab, using an archival soft tip pen.

### **Destroying Records**

When a record is no longer required to be kept, it should be properly destroyed and the destruction should be documented. A sample Certificate of Records Destruction form is attached. For example, information entered on the form could be:

Record Category	Format/Media	Date Range	Method
Vouchers	paper	1960 - 1987	Shredder
Council Meetings	audio tape	1990 - 1991	Degaussing
Press release drafts	Word/CD	1990 - 1995	CD shredder
E - mail	mbox/server	1999 - 2001	Sanitized

Deleting data and emptying the “recycle” folder or “trash” bin from electronic storage media such as CDs, hard drives, tapes, etc. does not permanently destroy the information. Some printers and photocopiers with document memory capability may require data cleaning also before sale or disposal. If data is not sensitive or private, simply overwriting the information may be adequate. If computers and media are going to be reused or de - commissioned, they must be properly cleaned in order to prevent unauthorized retrieval and use of information, especially if that data includes privacy or security - related material such as personnel records, financial data, or employee health information.

To completely remove data or prevent its retrieval, the following methods should be used.

- Hard drives, USB or flash drives, and other plug - in type devices: Sanitize by running special software programs or following the manufacturer’s instructions for full chip erasure. For Windows operating systems, Active Eraser is one product that erases files and hard drives. It is available at <http://www.active-eraser.com/features.htm>. Another is Eraser by Tolvanen at <http://www.tolvanen.com/eraser/>. Macintosh operating systems will need a third - party utility such as Jiiva AutoScrubber (<http://www.jiiva.com/>) for version 10.2 file deletion and Jiiva SuperScrubber for hard drives. Versions 10.3 and 10.4 have built in Secure Empty Trash options; however, 10.3 also needs a third - party utility such as JiivaSuperScrubber for hard drives. Version 10.4 also requires Apple Disk Utility (Zero all data, 7 - and 35 - Pass Erase) for empty space deletion and hard drive cleaning. If the drive is no longer operational, cables should be cut and the drive disassembled. Its platters should be damaged by drilling holes, hammering, or cutting with metal snips.
- Personal Digital Assistants (PDAs), Blackberry, etc.: Clean data according to manufacturer’s instructions and reset to factory defaults. Remove batteries for several hours. Alternatively, wrap securely to prevent flying particles and hammer until the internal parts are destroyed.
- Removable media: Special shredders are available that can shred optical media (CDs, DVDs, etc.). Diskettes or other media not suitable for shredding should be disassembled and the media mutilated by puncturing, cutting, or sanding.
- Magnetic tape:

Degaussing tailored for the type of tape and with proper coercivity.<sup>12</sup>  
Alternatively, incineration, pulverization, or shredding may be used. If the data sanitizing process is contracted to an outside party, the vendor should sign an agreement stating that their practices conform to or exceed the guidelines stated here.

**CERTIFICATE OF RECORDS DESTRUCTION**

I, \_\_\_\_\_, acting on behalf of

\_\_\_\_\_,  
(Organization Name)

hereby certify that the following records were destroyed according to the Records Retention and Disposition Guidelines.

Collection/Record Group/Series: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Record Category (correspondence, etc.): \_\_\_\_\_  
\_\_\_\_\_

Format (mbox, Word, etc.) \_\_\_\_\_  
\_\_\_\_\_

Date Range: \_\_\_\_\_

Type media or, if hard drive, enter serial #: \_\_\_\_\_  
\_\_\_\_\_

Method: \_\_\_\_\_  
\_\_\_\_\_

Location of Disposal: \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Title: \_\_\_\_\_ Authorized by

\_\_\_\_\_

Date:

