

## ***Chapter Financial Security Policy***

### **Introduction**

The purpose of this member financial data security policy is to provide security of American Institute of Architects, Amarillo Chapter (AIA Amarillo) financial data.

### **Members**

All AIA Amarillo members are instructed that the local chapter shall not receive dues for membership or membership renewal, but rather such payments shall be made by the member or applicant directly to the Institute via mail or online renewal. Any transactions made to the local chapter shall only be made via cash, personal or business check, or via encrypted portable transaction devices such as *Square*. Members may request a written or electronic receipt of purchase from the chapter for any transaction made.

### **Data**

AIA Amarillo will implement security measures to protect and safeguard members' financial data. Sensitive financial data includes an individual's first name or initial and last name in combination with any of the following items if the name and items are not encrypted:

- Driver's license number or government-issued number\*
- Account number or credit or debit card number

AIA Amarillo does not customarily collect social security numbers, driver's license numbers or government-issued numbers from individual members in the course of any transaction. Should a member be asked by a chapter member or officer to provide such information, they are advised to notify the Chapter President, as well as the Texas Society of Architects, or AIA National Office immediately.

### **Compliance**

AIA Amarillo shall comply with association security standards in accordance with the Payment Card Industry (PCI). When sensitive financial information has been processed by AIA Amarillo, it will be shredded, erased or modified so that the data is unreadable or undecipherable. In addition, any breach of the security system safeguarding computerized data by an unauthorized person, will be reported in writing to the individual member and owner of the sensitive personal information.

### **Chapter Operating Account**

AIA Amarillo shall not issue credit- or debit cards of its operating account to its officers or members. Release of checks for payment of chapter business shall be predicated on the "Three-person-rule". Three persons – two chapter Executive Committee officers and one ex-officio officer shall have signing privileges to business checks from the chapter operating account. Only one signatory is required to sign a business check. The three authorized signatories to the account, as of January 1, 2016 are:

- Jorge Ramirez, AIA – 2015-2016 Chapter Treasurer
- Jim C. Doche, FAIA – 2016-2017 Vice President for Development
- Jim Williams, AIA – Ex-Officio (former TxA Director and TxA State Treasurer)

## ***Joint Venture Policy***

### **Introduction**

The purpose of this joint venture policy is to give guidance and counsel to those individuals within the American Institute of Architects, Amarillo Chapter (AIA Amarillo) concerned with any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity. This policy requires that AIA Amarillo evaluate its participate in joint venture arrangements in compliance with Internal Revenue Service guidelines under Federal tax law and take steps to safeguard AIA Amarillo's exempt status with respect to such arrangements.

### **Activities Subject to this Policy**

This policy applies to any joint ownership or contractual arrangement undertaken through a limited liability company, partnership, or other entity through which there is an agreement to jointly undertake a business venture, investment, joint ownership of any asset, or exempt-purpose activity as further defined in this policy.

### **Approval and Management of Joint Activities**

Before making any decisions to participate in a joint venture, AIA Amarillo will:

- (i) Negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that AIA Amarillo's tax-exempt status is protected; and
- (ii) Take steps to safeguard AIA Amarillo's tax-exemption from federal income tax with respect to the venture or arrangement. Terms shall be in writing in the operating agreement of the joint venture and shall include the following minimum requirements.

### **Safeguards to Ensure Exempt Status Protection**

Some examples of safeguards include:

- (i) Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
- (ii) That the venture or arrangement not engage in activities that would jeopardize AIA Amarillo's tax-exemption; and
- (iii) That all contracts entered into with the organization be on terms that are arm's length or more favorable to AIA Amarillo.

### **Disregarded Conditions**

A venture or arrangement is disregarded if it meets both of the following conditions:

- (i) 95% or more of the venture's income for its tax year ending within AIA Amarillo's tax year is excluded from unrelated business income taxation; and
- (ii) The primary purposes of AIA Amarillo's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

Where there is any question as to whether a particular joint venture may pose a risk to AIA Amarillo's tax-exempt status, a decision to enter into such joint venture will be made only in consultation with legal and/or tax counsel.

## **AIA Amarillo Document Destruction and Records Retention Policy**

**Category 1:** The following documents should be held permanently:

- a. Bylaws / Articles of Incorporation
- b. Executive Committee (ExCom) minutes
- c. Award history
- d. IRS determination letter
- e. Copies of 990-N e-Postcards as filed & related correspondence
- f. Insurance policies and claim records
- g. Texas Secretary of State filings
- h. Annual officer roster

**Category 2:** The following records should be held for ten years after expiration:

- a. Contracts
- b. Leases

**Category 3:** The following records should be held for seven years:

- a. Bank statements
- b. Bank reconciliation
- c. Deposit slips
- d. Sales records and journals
- e. Other records relating to revenue
- f. Officer or approved member expense reports and records relating to travel and entertainment expenses

**Category 4:** The following records should be held for three years:

- a. Cancelled checks
- b. Paid vendor invoices
- c. Continuing education reporting forms

All Category 1 documents shall be scanned and electronic files shall be maintained in two storage formats:

- a. Via a shared “Dropbox” online folder maintained and accessible by local chapter officers
- b. Via remote cloud storage maintained by the Texas Society of Architects and paid for as an annual service by AIA Amarillo.

All Category 2, 3, and 4 records that have exceeded the retention guidelines will be shredded, unless they are related to any pending or threatened litigation, in which case they shall be maintained until the matter is fully resolved.

## ***Gift Acceptance Policy***

### **Introduction**

The purpose of this gift acceptance policy is to give guidance and counsel to those individuals within the American Institute of Architects, Amarillo Chapter (AIA Amarillo) concerned with the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts of philanthropic intent.

These policies must be viewed as flexible and realistic in order to accommodate unpredictable situations as well as donor expectations, as long as such situations and expectations are consistent with AIA Amarillo's mission and policies. Flexibility must be maintained since some gift situations will be complex, and proper decisions can be made only after careful consideration of all related factors. These policies may, therefore, require that the merits of a particular gift be considered by the Executive Committee (or ExCom) along with legal counsel and directors if necessary.

All fundraising activities and gift acceptance policies, and their day-to-day implementation, are subject to approval by the ExCom. The ExCom is responsible for the gift acceptance policy. This responsibility cannot be delegated or waived. These policies and authorizations shall be reviewed by the ExCom as circumstances warrant.

### **Policy Statements**

#### **A. ExCom Acceptance of Gifts**

The ExCom shall exercise its public trust, as mandated by statute, in making final decisions for the acceptance of all gifts and grants and for any exception to its policies and guidelines. Gifts and gift instruments may be received by the President of the Chapter but can be accepted officially only by the ExCom as managers of the public trust.

AIA Amarillo shall accept only those gifts the transference and implementation of which shall be deemed consistent with the public laws and/or regulations of the United States of America and the State of Texas.

#### **B. Philanthropic Intent**

The ExCom shall determine that gifts to AIA Amarillo are evidence of philanthropic intent and that the donor's philanthropy is in accord with the stated mission and goals of AIA Amarillo. The purpose is to prevent AIA Amarillo from being an object of philanthropic intent for either designed or innocent avoidance of taxes, prejudiced purposes, or evaluation of gifts without generous, advanced, objective, experienced evaluation.

#### **C. Ethics**

The ExCom shall assure itself that all philanthropic promotions and solicitation are ethical by adopting policies that prohibit AIA Amarillo personnel from benefiting personally by way of commissions or other devices related to gifts received.

#### D. Review Legal Arrangements

Legal counsel retained by AIA Amarillo shall, as required, review legal documents, contracts, and all donor agreements. AIA Amarillo shall seek the advice of legal counsel in all matters pertaining to its planned giving program. All agreements shall follow the formats of the specimen agreements to be approved by legal counsel unless counsel has agreed in writing to a change for a specific agreement.

AIA Amarillo shall encourage donors to seek their own counsel in matters relating to their bequests, life income gifts, tax planning, and estate planning. All legally binding documents involving gifts over Ten Thousand Dollars (\$10,000.00) shall be prepared and/or reviewed by counsel retained by the donor, to avoid any conflict of interest or undue influence. Alternatively, a donor may sign a document prepared by AIA Amarillo, releasing AIA Amarillo from any liability and waiving any conflict.

#### E. Professional Fees

While AIA Amarillo is happy to offer assistance to attorneys and other professional advisors by providing specific language to be used in charitable giving instruments, it cannot pay any attorney's or advisor's fees associated with this work.

#### F. Unacceptable Gifts

AIA Amarillo reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of, the following gifts will not be accepted by AIA Amarillo:

1. Gifts that violate any federal, state, or local statute or ordinance
2. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property
3. Gifts that are financially unsound
4. Gifts that could expose the AIA Amarillo to liability

#### G. Stewardship

AIA Amarillo will be responsible for good stewardship toward its donors by following these guidelines:

1. All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
2. All gift acknowledgment letters/receipts will be prepared by the President of the Chapter or his or her designee.
3. Gifts to AIA Amarillo shall be reported in a manner consistent with the standards recommended by the Association of Fundraising Professionals (AFP) or the National Council on Planned Giving (NCPG).
4. Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by AIA Amarillo. Maximum use will be made of information and contacts that members of the ExCom, various volunteer groups, or the staff have with potential donors. Written reports of interviews and solicitations will be maintained in the donor prospect file and/or computer.

5. This information is confidential and is strictly for the use of AIA Amarillo ExCom. Use of this information shall be restricted to organization purposes only. Donor has the right to review his or her donor fund file(s).
6. AIA Amarillo will provide the donors of endowed scholarships with appropriate information about the recipients of scholarship assistance.
7. Should the gift be restricted, AIA Amarillo will provide the donor with a narrative and financial report detailing the activities made possible by their support. This report will be submitted to the donor within fifteen (15) days of the completion of the underwritten activities.
8. Gifts to AIA Amarillo and accompanying correspondence will be considered confidential information, with the exception of the publication of donor recognition societies. All donor requests for confidentiality will be honored.
9. Names of donors will not be provided by AIA Amarillo to other organizations, nor will any lists be sold or given to other organizations.

#### H. Conflict of Interest

The AIA Amarillo ExCom will assure itself that AIA Amarillo membership are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. The ExCom will consider a transaction in which the employee has a “material financial interest” with a donor an act of self-dealing. In reviewing self-dealing transactions, the ExCom shall consider financial interest “material” to an employee if it is sufficient to create an appearance of a conflict. In each case, this will be a question of fact.

The ExCom will examine all acts of self-dealing including, but not limited to prohibition against personal benefit. Those individuals who normally engage in the solicitation of gifts on behalf of AIA Amarillo shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of AIA Amarillo. (The definition of individuals includes each of the categories of employees of AIA Amarillo. Individuals are further defined to include associations, partnerships, corporations, or other enterprises in which a member of the Chapter holds a principal ownership interest.)

#### I. Conformity to Federal and State Laws

The ExCom will assure itself that fundraising activities comply with local, state, and federal laws.

#### J. Gift Valuations

AIA Amarillo shall follow accepted guidelines for the valuation of gifts such as stock, real estate, personal property, and life insurance that require specific methods of valuation for the protection of both the donor and AIA Amarillo.

Gifts of art, furniture, books, stamps, coins, and other collections must have values assessed by properly accredited independent appraisers retained by potential donors for appropriate gift tax credit. AIA Amarillo shall acknowledge receipt of such properties but must not verify values.

K. Required Reporting of Gifts to the Internal Revenue Service

Should AIA Amarillo sell, exchange, or otherwise dispose of any gift (other than checks, cash, or publicly traded stocks or bonds), within two years after the date of the gift, AIA Amarillo will furnish the Internal Revenue Service and the donor with a completed Form 8282.

## ***AIA Amarillo Whistleblower Policy***

**Purpose:** The Amarillo Chapter of the American Institute of Architects (AIA Amarillo) is transparent and accountable to its members and membership. The Executive Committee expects members and membership to obey the law, act ethically and report honestly to their supervisors. Members and membership will contact senior management, legal counsel, or officers, as appropriate, about any activity that may violate law, policy or ethics.

This policy covers serious concerns that could affect the component, including actions that:

- could lead to inaccurate financial reporting;
- are unlawful, such as fraud, theft, embezzlement, or other illegal activities;
- are inconsistent with policies or procedures;
- consist of serious misconduct, such as unethical business conduct, other inappropriate conduct, or concerns about employee health risks under the component's control.
- destroy documents in violation of the component's records retention policy; or
- result in the inappropriate or illegal use of component property.

The policy is intended to encourage members and membership to raise serious concerns within the component before seeking action from outside sources.

**Confidentiality:** Every effort will be made to protect confidentiality. AIA Amarillo will not tolerate harassment or retaliation against anyone submitting a report under this policy. While anonymous reports are accepted, identifying oneself can strengthen the credibility of the report and aid the investigation. Malicious or knowingly false reports may result in disciplinary action, up to and including termination of service as a member.

### **Guidelines for Reporting a Violation:**

- When possible, membership should report the violation initially to the Chapter President.
- Membership who are uncomfortable speaking with the President, should speak with any member of the Executive Committee.
- Membership must report suspected violations to a member of the Executive Committee (ExCom) but take no further action unless the ExCom member requests it.
- Except in extraordinary circumstances, the President and President-elect will be notified when a report is received. Other persons may be notified on a need-to-know basis.
- If the violation concerns fraud or financial misconduct, a report may be made directly to the Treasurer.

### **Investigation and Reporting:**

The Executive Committee has specific and exclusive responsibility to appoint one of its members to investigate all reported violations. The Executive Committee may recuse certain members, and/or retain impartial outside counsel or auditors to conduct the investigation.

The appointed investigator will conduct a prompt investigation, acknowledge receipt of the report within five (5) business days, and inform the reporting party of next steps and when to expect an update on the investigation. The investigator will do everything possible to keep the identity and role of the reporting party confidential (although legal requirements or other circumstances may make it impossible to fully protect confidentiality in some cases).

The person reporting an allegation is not expected to prove the truth of the allegation but should expect to be interviewed (unless reporting anonymously) and to submit any evidence available.

The investigator will submit a written report summarizing the allegations and his/her recommendations, to members of the executive management who have a reasonable need to review the report, to the officers, and/or to the Executive Committee, as appropriate. The reporting party will be informed about the results of the report.

When appropriate, corrective action will be taken. Corrective action may include such things as limitations on the member's opportunity to serve on committees, or the initiation of a complaint with the AIA National Ethics Council, as appropriate. If the process described above is not followed, the party reporting a violation may contact the Texas Society of Architects to report the matter outside the Chapter.

## ***Conflict of Interest Policy***

**Overview:** Officers and directors (as well as members of committees with powers delegated by the Executive Committee) must avoid any relationship or activity that might impair, or even appear to impair, their ability to make objective and fair decisions when performing their jobs or volunteer roles. At times, an officer or director (and committee member as described above) may be faced with situations in which business actions taken on behalf of the Amarillo Chapter of the American Institute of Architects (AIA Amarillo) may conflict with the individual's own personal interests. Component property, information or business opportunities may not be used for personal gain.

Compensation for purposes of this policy includes direct and indirect remuneration as well as substantial gifts or favors. A financial interest is not necessarily a conflict of interest. The Executive Committee will decide whether a financial interest constitutes a conflict of interest.

### **Conflicts of interest could arise in the following circumstances:**

- Being employed by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, while serving with the component.
- Hiring or supervising family members or closely related persons.
- Serving as a Board member for an outside commercial company or organization.
- Owning or having a substantial interest in a competitor, supplier or contractor.
- Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all members.

**Duty to Disclose:** Officers and directors (and committee members as described above) with a conflict-of-interest question should seek advice from the component President. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, officers and directors must divulge the potential conflict of interest in writing and be prepared to share all material facts with the Executive Committee.

### **Procedure for Addressing Disclosures:**

- The interested person will present the material facts of the potential conflict. He/she will leave the meeting while the Executive Committee (ExCom) deliberates and votes upon whether a conflict of interest exists. A simple majority will rule on the matter.
- If further investigation is needed, the ExCom will appoint a disinterested party to research the matter and to report findings promptly to the ExCom.
- The minutes will contain names of those disclosing or otherwise found to have a conflict of interest and any action taken by the ExCom in response.
- No voting member of the ExCom who receives compensation, directly or indirectly, from the component may vote on matters pertaining to that member's compensation.

# **AIA Amarillo**

## **Officer Conflict of Interest Acknowledgement & Disclosure**

*(To be signed by each director, officer and member of committee with ExCom-delegated powers, upon assumption of duties.)*

I have received and read the Conflict of Interest Policy of the AIA Amarillo above and agree to comply fully with its terms and conditions at all times during my service as an officer, director or representative of the component. I understand that AIA Amarillo is a non-profit corporation, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish its tax-exempt purposes. I understand that if at any time following the submission of this form I become aware of any actual or potential conflicts of interest, or if the information provided changes, I will promptly notify an officer of the Executive Committee in writing.

Disclosure of Actual or Potential Conflicts of Interest:

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

Printed Name: \_\_\_\_\_

Officer Title & Term of Office (Calendar Years): \_\_\_\_\_

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