BASIS OF ESTABLISHMENT

These policies of the Association are established pursuant to Article IV, Section 4.2, of the Association Bylaws.

Scope

All actions of members, Directors, Officers, Committees, and staff of the Association shall be in accordance with these policies. If there is a conflict between the Association Bylaws and the Policies & Procedures Manual, the Bylaws shall take precedence.

Procedure for New Policies

- Policy ideas shall be directed to a Committee or Staff to research and recommend policy language
- When necessary, an Ad Hoc Committee will be formed to develop the policy
- When a proposed new policy has been developed, it will be sent to the Board for review and comment.
- All policies are required to be recorded as motions in the Board minutes.
- After approval by the Board, staff will include the new policy in the Policies & Procedures Manual.
- All Policies & Procedures shall undergo a review in accordance with the strategic plan review period.

Procedure for Amendments

(1) Directors, Officers, Committees, or staff of the Association may request amendments to these policies through the Executive Committee. Staff will prepare draft language for Executive Committee action.

(2) Final adoption of amendments to these policies shall be by the Board of the Association.
DEFINITIONS


**Board** - Refers to the Board of Directors refers to the Board of Directors of the AZ Water Association and Arizona Water Environment Association and the Board of Trustees of the Arizona Section of the American Water Works Association.

**Contract or Transaction** - is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary or financially meaningful relationship.

**Executive Committee** - refers to the Officers of the AZ Water Association, Arizona Section of the American Water Works Association and Arizona Water Environment Association.

**Responsible Person** - is any person who is an Officer, Director, Staff, or member conducting business on behalf the Association, including, when the context requires, a family member of any such person.

**Staff** - Refers collectively to the Association’s contracted administrative independent contractors.
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1.a ANTI-TRUST POLICY

PURPOSE

The Association is a 501(c)(3) not-for-profit organization. The Association is not organized to (nor in any way) restrict competition among members or potential members. Rather it serves as a forum for a free and open discussion of diverse opinions without, in any way, attempting to encourage or sanction any particular business practice.

The Association provides a forum for exchange of ideas in a variety of settings including its Annual Business meeting, Educational Programs, Committee meetings and Board meetings. The Board recognizes the possibility that the Association and its activities could be viewed by some as an opportunity for anti-competitive conduct. Therefore, this policy statement clearly supports the policy of competition and strict compliance in all respects with all anti-trust laws in order to ensure free and open trade.

Anti-trust laws prohibit contracts, combinations, conspiracies and other agreements in restraint of trade; and these agreements may be implied by conduct or action in concert with others and do not have to be expressly made in writing in order to violate the law.

While recognizing the importance of the principle of competition served by the antitrust laws, the Association also recognizes the severity of the potential penalties that might be imposed on not only the Association but its members as well in the event that certain conduct is found to violate the antitrust laws. Should the Association or its members be involved in any violation of federal/state antitrust laws, such violation can involve both civil and criminal penalties that may include imprisonment as well as fines upwards of a million dollars for individuals and up to tens of millions of dollars for the Association plus attorney fees. In addition, damage claims awarded to private parties in a civil suit are tripled for antitrust violations. Given the severity of such penalties, the Board intends to take all necessary and proper measures to ensure that violations of the antitrust laws do not occur.

PROCEDURE

In order to ensure that the Association and its members comply with antitrust laws, the following principles will be observed by all members at all meetings, conferences, seminars, social events, or other similar gatherings of more than one member:

- Do NOT discuss or agree upon prices, fees or rates, features that can impact (raise, lower or stabilize) prices such as discounts, costs, credit terms, terms and conditions of sale, warranties or profits margins. Note that price fixing may be inferred by involvement in price related discussions – whether or not an agreement was made among competitors.

- Do NOT discuss past, current or future prices, what constitutes a “fair profit”, or pricing procedures or components,
• Do NOT discuss or agree with competitors as to uniform terms of sale, warranties or contract provisions.

• Do NOT exchange data concerning fees, prices, production, sales, bids, costs, customers’ credit, or other business practices. Members may participate in any Association sponsored statistical reporting programs; such participation is entirely voluntary. All such programs shall be reviewed and approved by legal counsel prior to release and all such programs shall be conducted in a manner that will not violate any anti-trust laws.

• Do NOT discuss or agree with competitors regarding the division or allocation of customers, markets or territories, or control of sales.

• Do NOT try to prevent a supplier from selling to your competitor(s).

• Do NOT discuss or agree to require a customer to purchase one unwanted product or service in order to obtain a desired product or service.

• Do NOT discuss or agree to refuse to deal with a particular person or company because of pricing or other business practices.

• Do NOT discuss whether the practices of any member are unethical or constitute an unfair trade practice.

• Do NOT act jointly with another to disadvantage or harm a competitor.

• Do NOT discuss or agree to any membership restrictions that are intended or that may be perceived as anti-competitive. Membership criteria shall be fairly established and uniformly applied with the intent and purpose of allowing membership, rather than restricting membership. Any decision to deny membership should be first reviewed by legal counsel.

• DO insist that meeting minutes properly reflect the actions taken at the meeting.

• DO leave any meeting (formal or informal) where improper discussions are held that might border on anti-trust violations or be perceived as anti-competitive or unlawful. Tell everyone why you are leaving.

• DO ensure that assigned Staff reviews all correspondence of the Association and proposed minutes of all meetings of the Board.

• DO ensure that if questions arise about legal aspects of your own individual responsibilities under the antitrust laws, you seek advice and counsel from your own Counsel or from Staff and Association Counsel.
1.b CODE OF CONDUCT

PURPOSE

The rules of the Association code of conduct (below) are those rules that deal with the obligation of a member of the Association, acting within the scope of Association business. To safeguard the interests of the Association, and its membership, the rules of conduct contain authority for the Board, per the Association's Bylaws, to enforce the rules by effectively disciplining any member who abuses the authority of the Association, or who commits a serious violation of the five rules listed below. These rules are intended to conform to the purpose of the Association.

PROCEDURES

1. When acting as an agent of the Association, each member shall act in the best interests of the Association. As such, each member of the Association shall serve all members of the Association impartially. No member shall provide special privilege to any individual member. No member, nor any member of the member’s family, shall accept personal compensation, or other remuneration from any supplier or contractor to the Association, unless the member provides full disclosure and obtains the informed consent of the Association's Board, except as provided in paragraph two.

2. Acceptance of perishable or other gifts of a nominal value, such as advertising or promotional materials clearly marked with company brand names is not considered improper. Acceptance of reasonable business meals or the exchange of reciprocal courtesies of the same approximate nominal value between members and/or employees and their supplier/contractor friends is not considered improper when such is infrequent.

3. Each member shall maintain the confidentiality of privileged information entrusted or known by virtue of activities within the Association, including but not limited to, information related to examinations and results.

4. While present at Association functions, and/or while conducting Association business, each member shall refuse to engage in or countenance, conduct that is likely to be detrimental to the reputation of the Association, such as, but not limited to, the misrepresentation of the member’s authority.
1.c CONFLICT OF INTEREST & DISCLOSURE

PURPOSE

The Association Board is dedicated to ensuring that the Association is operated exclusively to carry-out its 501(c)(3) tax-exempt mission serving the interests of the Association's constituency in the most honorable and ethical manner possible, assuring our constituencies that decision making and all governance is conducted in an objective and bias-free context.

The purpose of this conflict of interest policy is to protect the Association's interests when contemplating entering into any transaction or arrangement that might benefit the private interest of any officer or director of the Association. The policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest application to nonprofit.

The primary duties of each Board member are to govern in accordance with the needs of the constituencies served by the Association and in accordance with applicable state and federal laws, to ensure that our policies are implemented, and to ensure that the mission is effectively carried out.

Members of the Board have a duty of loyalty to place the best interests of the Association uppermost when acting on its behalf. This duty encompasses the obligation to avoid or disclose any other interests that could dilute, diminish, or divide a Board member's unqualified loyalty and complete commitment to the Association. Where such interests exist or even appear to exist, they are conflicts of interest that the Association is responsible to manage in order to ensure bias-free governance.

Each member of the Board is required to disclose “other interests” as defined in the policy, annually, and more frequently if other interests arise. The Board must decide what if any corrective measures to take in response to disclosures of other interests.

Board members must not use their influence to sway the view of any other Board member in arriving at his or her personal decision in voting. Additionally, there may be instances where the Association decides to purchase goods or services from a Board member, or decides to participate with a Board member (or his or her associates) in a specific project. In all such instances the relationship shall be disclosed to the Board and all financial aspects of the transaction shall be reviewed to determine that they are at least substantially equivalent, or more favorable to the Association, as any similar transaction with an unrelated third party.

A Board member who ignores these requirements may be committing an illegal act and may not be entitled to any protection pursuant to the indemnification bylaw provision. Additionally, the Board member may not be entitled to the protection provided Directors of non-profit organizations under applicable state laws.
PROCEDURES

It is the prerogative of the Board to make determinations regarding corrective measures with respect to “other interests”. Corrective measures include:

1. **Disclosure to the Board.** In most cases, it is expected that the possibility of subjectivity or bias will be sufficiently offset by disclosing the “other interest” to the entire Board. The Board will be expected to take the individual’s “other interest” into consideration when discussions, debates, or decisions occur.

2. **Recusal.** In some instances it may be determined that the avoidance of conflicts of interests, or even the mere appearance of conflicts of interests, will dictate that the disclosing Board member should avoid discussions, debates, and decision making on subjects related to the disclosure. The Board member will remain a member of the Board however will withdraw from portions of meetings or activities appropriately.

3. **Resignation.** Rare situations could arise in which the Board members’ “other interest” is so extensive or pervasive that, in the view of the entire Board, the Board member’s involvement in discussions, debates, or decision making in the Board on any subject will be adversely affected. In that case, the Board member will be asked to resign. If resignation is not forthcoming, the removal of a Board member, subject to the Association’s Bylaws and governing state law, will be considered.

Steps to implement the Conflict of Interest and Disclosure Policy include:

1. **Disclosure.** Board members are required to complete the disclosure form annually. Forms will be updated and submitted at other times, as “other interests” arise or become known.

2. **Review, evaluation and recommendation.** Representatives of the Board, appointed by the President, will review the annual disclosure forms and recommend corrective measures to the Board, as appropriate.

3. **Board Action.** The Board will make the final determination of appropriate corrective action. Questions about the Conflict of Interest and Disclosure Policy should be directed to the Board and assigned Staff.

**When and how is disclosure to be made?**

At least annually, when requested by the President, and after that at any time throughout the year when an “other interest” arises or becomes known that was not disclosed at the time of or has significantly changed since the annual disclosure. Disclosure must be in writing. Forms are provided for the purpose of disclosure.

**What information is to be disclosed about “other interests”?**

Sufficient information about any other interest should be made to permit an evaluation of what effect the other interest might have on the Board member’s participation in Association governance.

**What about confidential information on other interests?**

Any confidential information should be clearly marked as such on the disclosure form. Information will be kept confidential whenever possible, however if a requirement for confidentiality precludes the Board from fairly evaluating the disclosure, the Board may respond accordingly in its recommendation regarding corrective measures.
1.d DIVERSITY AND MEMBER INCLUSION

PURPOSE

The Association seeks to encourage all interested individuals to enter the water and wastewater profession and participate in the volunteer activities and leadership opportunities within the Association and therefore establishes this policy. It is the intent of this policy to establish guidelines that foster an inclusive environment, one in which nondiscrimination is promoted, so that volunteer opportunities lead to the advancement of all qualified individuals within the profession and within the Association. Discrimination of any sort is unacceptable and will not be tolerated.

Diversity, for the purposes of this policy, includes diversity and inclusion of race, color, religious creed, gender, national origin, ancestry, citizenship, age, marital status, disability, a legally protected medical condition, sexual orientation or any other characteristic protected by local, state or federal law or that offers any form of diverse perspective.

PROCEDURE

1. The task of increasing participation from diverse groups shall be assigned to all Committees, but with special emphasis on actions to be taken by the Membership, Nominating, and Awards Committees.

2. The Membership Committee shall develop marketing materials that foster and promote diversity of membership.

3. The Nominating Committee shall make every effort in the solicitation of nominations and selection of qualified candidates who will represent diversity for the leadership of the Association.

4. The Awards Committees acknowledge excellence, and shall make every effort in the solicitation of nominations and selection of awardees to ensure that qualified candidates also represent diversity of achievement in the Association.

Specific action plans shall be prepared by each Committee, describing annual activities to increase diversity, and quantifiable measurement criteria to ensure that the purpose of this policy is achieved.
1.e  JOINT VENTURE

PURPOSE

This Joint Venture Policy of the Association requires that the Association evaluate its participation in joint venture arrangements under federal tax law and take steps to safeguard the Association’s exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

PROCEDURE

1) Joint ventures or similar arrangements with taxable entities. For purposes of this policy, a joint venture or similar arrangement (or a “venture or arrangement”) means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the Association controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an Association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:

a) 95% or more of the venture’s or arrangement’s income for its tax year ending within the Association’s tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and

b) The primary purpose of the Association’s contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

2) Safeguards to ensure exempt status protection. The Association will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Association’s exempt status is protected; and (b) take steps to safeguard the Association’s exempt status with respect to the venture or arrangement. Some examples of safeguards include:

(i) Control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the Association;

(ii) Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;

(iii) That the venture or arrangement not engage in activities that would jeopardize the Association’s exemption; and

(iv) That all contracts entered into with the Association be on terms that are arm’s length or more favorable to the Association.
1.f WHISTLEBLOWER  

PURPOSE

The Whistleblower Policy of the Association: (1) encourages Staff and Volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Association; (2) specifies that the Association will protect the person from retaliation; and (3) identifies where such information can be reported.

PROCEDURE

Encourage reporting. The Association encourages complaints, reports or inquiries about illegal practices or serious violations of the Association's policies, including illegal or improper conduct by the Association itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies.

Retaliation protection. The Association prohibits retaliation by or on behalf of the Association against Staff or Volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Association reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

Where to report. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis of the complaints, reports or inquiries. They should be directed to the Association's Executive Manager or President of the Board. If both of those persons are implicated in the complaint, report or inquiry, it should be directed to the President Elect of the Board. The Association will conduct a prompt, discreet, and objective review or investigation. Staff or Volunteers must recognize that the Association may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.
2.a AUTHORIZED REPRESENTATIVE

PURPOSE

From time to time, the Association is asked by regulatory, governmental, or other associations, to appoint a designated representative to that entity for the purpose of representing the Association on that entity. In establishing this policy, it is the intent of the Board to establish a procedure for selection of appropriate representatives to such outside entities, and to describe the responsibilities of any person selected to fulfill the role as the Association’s designated representative.

PROCEDURES

1. Upon receipt of a request for appointment of an Association representative, the Board President will seek nominations from the appropriate Committees of the Association.

2. The President will review qualifications of nominees suggested by the Committee(s), make a selection, and select an alternate.

3. The President will speak with the persons selected as representative and alternate, and confirm:
   a. Membership status
   b. Willingness to serve, subject to ratification by the Board
   c. Absence of any current or potential conflict of interest
   d. Responsibilities to the Association, as described in this policy

4. The Board Secretary will forward to the Board, the nomination of a representative for ratification by the Board. Such ratification may take place by electronic vote, which will be also be ratified by vote for the purpose of recording the action of the Board in the minutes of the next meeting of the Board.

5. Responsibilities for any person appointed as a representative of the Association shall include:
   a. Maintaining current Association membership;
   b. Careful review of the Association’s position on any matter before the entity on which the representative is to serve;
   c. Careful review of all materials prepared by or for the entity on which the representative is to serve;
   d. Performance of all duties as required;
   e. Regular communication to the Board of all action proposed and/or taken by the entity on which the representative is to vote; and
   f. Upholding, at all times, the Code of Conduct of the Association and its policies.
2.b SIGNATORY AUTHORITY

PURPOSE

The purpose of this policy is to vest authority in a limited number of people to bind or obligate the Association. No person or combination of persons other than those described in this policy shall have the authority to bind the Association.

REFERENCES

1. BYLAWS OF THE AZ WATER ASSOCIATION (6.3 Financial Controls, 7.8 Duties of the Board of Directors)
2. AZ WATER BOARD POLICY 4.a AZ WATER ASSOCIATION RESERVE AND SCHOLARSHIP FUNDS (“Investment Policy”)

PROCEDURE

1. Only the following persons are Authorized Signatories:
   a. the President, Secretary, Treasurer and the Executive Manager are authorized to execute contracts, subject to paragraph 2 below.
   b. the Treasurer, Secretary, and Executive Manager are authorized to conduct transactions for checking and savings accounts, subject to paragraph 3 below.
   c. the Treasurer and other representatives designated per Investment Policy are authorized to conduct transactions for investment accounts subject to paragraph 4 below.

2. Contracts (including Memorandums of Understanding, Letters of Intent, and all binding agreements). All contracts, including but not limited to expenditures for facility rental, meeting rooms, hotel and/or convention center space, banquet event orders and rental of audio visual equipment shall be reviewed, approved and executed by the Executive Manager or in their absence, other Authorized Signatory. The Authorized Signatory shall verify approved budget capacity prior to executing a contract, or obtain Board approval for the contract greater than budgeted. The President may, from time to time, appoint a member in good standing as temporary Authorized Signatory. For contracts that obligate the Association less than $5,000, the Authorized Signatory may review and approve the contract, then appoint a member in good standing to execute.

3. Disbursements from Checking and Savings Accounts. The Treasurer will establish and maintain procedures for appropriate supporting documentation for all disbursements. Authorized signatories are authorized to execute disbursements per approved budget. Disbursements greater than $5000 in value shall be approved by two Authorized Signatories. Authorized Signatories shall not execute disbursements to themselves.

4. Investment Account Transactions. Transactions related to investment accounts of the Association shall be executed pursuant to adopted Investment Policy.
2.c  EMAIL VOTE POLICY

PURPOSE

It is the policy of the Board that electronic voting is a legitimate and legal means of voting on any action coming before the board. E-mail votes are appropriate when the items in question are not controversial and do not require extensive background and explanation. If the President, in consultation with the Board, believes that the item might require extensive discussion, she/he will defer voting until the next Board meeting. If any Board member wishes to request that voting on a particular issue be at a regular Board meeting and not via e-mail, they should inform the President.

PROCEDURE

1. A motion can be made and seconded and then discussion can follow. The motion should be worded as a motion with a second prior to any votes being cast. Information related to the motion should be distributed with the motion via e-mail.

2. Comments circulated should be clearly marked in a manner defined in advance by the President. This ensures that Board members will clearly understand which messages have been submitted as discussion of the issue under consideration.

3. The President shall determine when the discussion should conclude, and shall set the period during which votes must be cast (1-2 working days should be sufficient).

4. The President will (on the start date specified) restate the motion, including any friendly amendments, and send a message to everyone asking that votes now be cast. The time for allowing voting should be stated as well - a working day or two should be sufficient. Each person should respond as follows: "MOTION on xxxx" YES/NO/ABSTAIN. All Board members should “reply to all”, allowing each Board member's position to be known.

5. Amendments to the original motion should be handled by the President during the discussion and the same protocol used to make them part of the final action to be taken.

6. The Secretary of the Board will make and keep a record of the discussion and will count the ballots. The Secretary will follow up with those not recording a vote for the record and report the outcome to the full Board.

7. All votes completed by e-mail will be reconfirmed at the next meeting of the Board and recorded in the minutes of that meeting.

8. It is at the discretion of the President to authorize another Board member to initiate and record email votes.
2.d RECORDS MANAGEMENT

PURPOSE

The primary purpose of the Association record management policy is to properly identify and preserve specified records for an applicable retention period and to eliminate unnecessary retention of records. This policy is reviewed systematically based on the reasonable, legitimate business needs of the Association and to comply with the legal requirements and government regulations applicable to the Association.

PROCEDURES

1. Records vital to the ongoing operation of the business shall be identified and appropriately safeguarded.

2. All records not necessary for legal or business reasons and not required to be retained by law or regulation shall be destroyed in order to reduce the high cost of storing, indexing, and managing the vast amount of documents that would otherwise accumulate and to maximize the performance of computer systems.

3. Destruction of records will comply with the records management timetable in order to avoid any inference that any document was destroyed in anticipation of a specific problem. The Association Board, in coordination with appropriate Staff, will review and update the Association Record Management Timetable.

4. Documents that are not otherwise subject to retention for business reasons may need to be retained because of unusual circumstances, such as audits or litigation.

5. The privacy and security of records shall be appropriately assured.

6. The policy shall apply to records maintained by the Board, Committees, and Staff on all types of storage media, including electronic storage. Association Board and Committees are not required to maintain any of the records listed on the following table.

7. Meeting minutes of the Board shall include all appropriate attachments and upon approval will be posted on the Association web site for reference.

8. Records such as notes, memoranda, letters, images and reports, in either hard copy or electronic storage media, located in individual staff offices, at home, or any other offsite location are subject to these guidelines and shall be managed consistently with these guidelines.
# RECORD RETENTION GUIDELINES

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<td>AWWA and WEF Agreements and amendments thereof</td>
<td>Permanently or until superseded</td>
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<tr>
<td>Board of Director Meeting Minutes</td>
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<td>Bylaws</td>
<td>Permanently or until superseded</td>
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<td>Patents, trademark registrations, copyright registrations</td>
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<tr>
<td>Policies and Procedures</td>
<td>Permanently or until superseded</td>
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<tr>
<td>Strategic Plan and Business Plan</td>
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</tr>
<tr>
<td>Audit reports of accountants</td>
<td>Permanently</td>
</tr>
<tr>
<td>Bank reconciliations</td>
<td>3 years</td>
</tr>
<tr>
<td>Banking records, including deposit and withdrawal records, bank statements</td>
<td>3 years</td>
</tr>
<tr>
<td>Budget data</td>
<td>3 years</td>
</tr>
<tr>
<td>Checking records, including account statements, check register and canceled checks (see exception below)</td>
<td>3 years</td>
</tr>
<tr>
<td>Contracts (not otherwise specified herein)</td>
<td>3 years from contract termination</td>
</tr>
<tr>
<td>End-of-year financial statements</td>
<td>Permanently</td>
</tr>
<tr>
<td>Grant Agreements</td>
<td>3 years from closeout report</td>
</tr>
<tr>
<td>Income tax returns and filings</td>
<td>Permanently</td>
</tr>
<tr>
<td>Invoices to members, customers and vendors</td>
<td>3 years</td>
</tr>
<tr>
<td>Schedules, ledgers and other supporting documentation for financial statements and tax forms</td>
<td>7 years</td>
</tr>
</tbody>
</table>
2.e INSURANCE, LICENSES & PERMITS

PURPOSE

As the Association grows, so too does the number of problems the Association might face. That’s why one of the most important steps in creating a successful wide-reaching nonprofit is to purchase nonprofit liability insurance. A nonprofit insurance policy will help the Association stay afloat in the event of an injury, accident, or in the event that a lawsuit is filed against our nonprofit or Board.

Insurance basics for non-profit Associations requires Commercial General Liability Insurance and Director’s & Officer’s Liability Insurance. Additional insurance may be purchased according to required event needs, such as event liability insurance, liquor liability insurance, automobile insurance, etc.

The Association currently has Commercial General Liability Insurance, Director’s & Officers Liability Insurance, and Hired and Non-owned Auto Liability policies. With the American Water Works Association (AWWA) events, Arizona Section of the AWWA may use the main headquarters’ insurance.

INSURANCE POLICIES

Commercial General Liability Insurance
This coverage protects our Association against allegations that someone suffered bodily injury, property damage or various kinds of personal injury arising from our events or operations. The general liability policy will provide both defense and indemnity in case of a judgment against the Association. With this coverage, the insurer will retain counsel to defend against claims.

Directors and Officers Liability Insurance
This coverage protects our Association Directors and Officers from being sued for wrongful acts or mismanagement of the Association or its resources.

Hired and Non-owned Auto Liability Insurance
This coverage protects the organization against third-party claims when vendors use event locations to move in and out using loading docks, such as the convention center during our Annual Conference & Exhibition.

Liquor Liability Insurance

Host Liquor Liability Coverage - host liquor liability coverage is contained within our Commercial General Liability Policy. A host liquor liability policy covers events when the Association hosts an event, but proceeds and serving is conducted by the facility (such as the Annual Conference Awards Reception, BBQ, and Manufacturers Reception).

Liquor Liability Coverage – Required when the Association is profiting from the sale of alcohol.
POLICIES AND PROCEDURES

LICENSES

Liquor License - A license is required when the Association carries out alcohol-related sales (ex. Beefsteak Dinner) or from which we are/would be a beneficiary (direct, raffle). In this case, the donor will be selling spirits (for taking home, not for consumption at the event - at the event there would be only samples for people to decide if they want to purchase). Proceeds (or some portion of them) will benefit the Association. In this case, a liquor license is required due to liquor being part of a raffle. An example is Pints For People event.

PERMITS

Special Event Permit - Cities require a special event permit for large event when an organized activity with more than 100 people, whether on public or private property, involving the use of, or having impact upon, city property, public facilities, parks, sidewalks, and/or streets or have activities that require issuing one or more additional licenses or permits (fireworks, alcoholic beverages, food sales, parades, street closings, tents over 400 square feet, etc.) require a Special Event Permit. An example is Water For People Event - Run for World Water.

PROCEDURE

The Association will follow nonprofit best practice on insurance coverage limits by ensuring the following:

- Staff will annually review the Association’s current policy coverage and make recommendations to the Board prior to the budget process.
- Board and Committee Chairs will contact the Executive Manager when a certificate of insurance is required for an event, who will then forward to the requester within two days.
- During review of all event contracts, the Executive Manager will determine if additional insurance is required and discuss with the requester.
2.f BOARD PARLIAMENTARY PROCEDURES

PURPOSE

The Board hereby establishes the following rules for conducting business at meetings of the Board, and at any Committee of the Board, in order to allow everyone participating in the meeting to be heard, and to allow decisions to be made in a courteous way, and without confusion.

PROCEDURE

1. Attendees
   a. All Association members in good standing are entitled to attend any meeting of the Board, with the exception of Executive Session as defined in item 5 below.
   b. Other personnel may attend, with the exception of Executive Session, as invited by Board members or Association staff, subject to the general consent of the Board.

2. Agenda
   A fixed agenda shall be established for each regular meeting of the Board, which will include (but not limited to):
   a. A Call to Order
   b. The taking of roll
   c. Presentation of Minutes of prior meetings for approval
   d. Officers’ Reports
   e. Committee Reports
   f. New Business
   g. Possible motion to go into Executive Session
   h. Other Business, such as Announcements
   i. Adjournment

3. Motions
   a. There are five general types of motions:
      i. Main Motions – introducing a subject for consideration. Main motions cannot be made when there is another motion before the Board, however, Main motions yield to privileged, subsidiary and incidental motions.
      ii. Privileged Motions – concern special or important matters not related to pending business, and in general, Privileged Motions are considered before any other types of motions. An example would be a Motion to Adjourn for Lunch.
      iii. Subsidiary Motions – These change or affect how the Main Motion is handled, and they are voted on before the Main Motion. An example would be a Motion to Amend the Main Motion.
      iv. Incidental Motions – These are questions of procedure that arise out of other motions. They must be considered before the other Motion. An example would be a Motion to suspend the rules, or a Motion to take the vote by written ballot.
v. Motion to Bring the Questions before the Board – These enable certain items to be reconsidered and should be brought up when no other Motion is pending.

b. A motion shall be made for any proposal on which the Board is to take a stand or take action, but Motions should be In Order, that is, they should relate to the business at hand and must be presented at the right time. They should not be obstructive, frivolous, or against the rules as set forth in the Board Bylaws.

c. Any member of the Board may propose a motion with the permission of the President. Motions should be stated in the affirmative.

d. Any other member may express support for discussion of the motion by seconding the motion.

e. Once a motion has been made and seconded, it is the property of the Board, and cannot be changed without the consent of the members.

f. The President shall state the motion “it is moved and seconded that….”

g. The President shall invite the maker of the motion to speak first on the matter.

h. Members of the Board shall then be invited by the President to debate the motion.

i. Motions may be amended, however, proposed amendments must relate to the subject as presented in the main motion. Motions to Amend require a second, and a vote of the membership of the subsidiary motion to amend is required before the main motion is taken up.

j. Some motions can be debated again and re-voted to give members a chance to change their minds. However, a motion to reconsider must come from the majority side of the original vote on the motion.

k. Following debate, the President will ask if the Board is ready for the question.

4. Voting

a. If there is no further debate, the President may invite a voice vote, with those in favor to agree by saying “aye” and those opposed to vote by saying “no”. Those members who do not wish to vote may advise the Secretary that they abstain from voting.

b. Alternatively, the President may invite a vote by general consent, by stating: “If there is no objection...” and the members shall show their consent by remaining silent. Or, the President may request a vote by show of hands, by roll call, or by written ballot.

c. The Minutes shall reflect the number voting in support of a passing motion, but those opposing any motion shall have their names recorded with their “no” votes. Those abstaining shall have their names recorded with their abstention.

d. Any member of the Board may make a motion to have the vote taken by exact count, by roll call, or by written ballot.

e. A motion is pending when it has been stated by the President, but has not yet been voted upon.

f. A motion “To Lay on the Table” can be made to set aside a motion temporarily, in order to allow the Board to take care of a more urgent matter.

g. Members of the Board can “take from the table” a motion for reconsideration, but this must happen by the end of the current meeting of the Board.
h. A motion “To Postpone Indefinitely” is a strategy that allows the members of the Board to dispose of a motion without making a decision for or against the motion.

5. Executive Session
   a. During a Board meeting, upon unanimous consent or a majority vote in favor by the Board members present, the Board may enter into Executive Session, limited to specific purposes as defined in this section.
   b. Only Board members and Designated Individuals shall be present during Executive Session. Designated Individuals are personnel whose presence is requested at the sole discretion of the Board specifically to assist in addressing topics being considered during the Executive Session. Examples of potential Designated Individuals include but are not limited to legal counsel, financial advisers, and the chairs of Association committees involved in the issue under consideration. All other persons, including Association staff, Association members, and other attendees shall be excused from the meeting during Executive Session.
   c. Topics which may be considered during Executive Session are limited to the following:
      i. Personnel matters, including with contractor staff
      ii. Nominations or assignments for awards, committees, offices, and other roles within the Association
      iii. Discussion or consideration of records exempt from public inspection
      iv. Legal advice
      v. Discussion or consultation with legal counsel regarding pending or contemplated litigation, settlement discussions, or negotiated contracts
      vi. Labor negotiations
      vii. Dealings or negotiations with other professional organizations
      viii. Purchase, sale, or lease of any real property; and also of other items if valued at greater than $10,000.
   d. The potential for an Executive Session need not be agendized.
   e. Minutes shall be prepared for Executive Sessions to indicate the following:
      i. Date, time and place of the Executive Session.
      ii. Names of Board members and Designated Individuals present
      iii. The topic discussed, limited to referencing items 1. through vii. above
   f. No votes or formal action shall be taken during Executive Session. If the Board chooses to act upon the matters discussed during Executive Session, that action shall take place during the regular open portion of the meeting.
3.a EMAIL MARKETING POLICY

Approved: 10/2018

PURPOSE

The Board of the Association has established an email marketing policy to establish guidelines to ensure that email will be used effectively for the Association. Because the sending of information by email to a large distribution list is an efficient way to communicate information to large groups of members, email subscribers, and event attendees, the many Committees of the Association increasingly seek to utilize this tool. However, when used too frequently, group email becomes ineffective and is unwelcome by members.

PROCEDURE

Distribution Lists

1. Association distribution lists shall be maintained by Staff and are the property of the Association and will be used only to benefit the Association and/or its members
2. Distribution lists may include members, former members, event attendees, and individuals who have requested inclusion of their names on the distribution list.
3. Individuals may choose to subscribe or unsubscribe from a distribution list at any time.
4. The Association membership form shall provide an option for each member to withhold his/her email address from email distribution lists.
5. All announcements proposed for distribution through the Association email lists shall be reviewed and approved by the Executive Manager prior to distribution.
6. Email distribution lists shall not be given nor shall they be sold to any individual, company or other Association.
7. The e-bulletin and announcements shall only be sent to the Association email subscribers.

Email Frequency & Content

1. To minimize the number of emails sent to distribution lists per month, a total maximum of five regular monthly email distributions have been established.
2. These five regular distributions shall consist of no more than one monthly issues of an informational electronic newsletter (e-Bulletin), and four announcements (training or informational).
3. Every effort shall be taken to include important information in the five regular monthly email distributions in order to avoid the need for additional group emails.
4. However, in addition to these five regular monthly email distributions, emails may be sent to a limited target list when deemed necessary and appropriate by the Executive Manager or the Board on a case-by-case basis.
5. Any individual or group requesting the distribution of an unscheduled email to a distribution list shall provide a written explanation to the Executive Manager of the reason for the request for the additional email and the reason why the information cannot be included in a regular monthly email.
6. Members may submit information for inclusion in the five regular monthly e-bulletins to the Executive Manager. All information shall be reviewed by the Executive Manager and edited as necessary. Content for each regular monthly email must be received three business days before the email is scheduled to be sent.

7. Since regular monthly email distributions contain information related to a variety of Association and industry topics, articles submitted should be brief summaries or introductions of information only (a maximum of 250 words), with details available on a web site or by contacting an individual. The Executive Manager shall cut or edit as deemed necessary or appropriate.

Emails to Event Attendees

1. Email may be used before or after an event to convey important information to registered attendees.
2. Event attendees are provided the option to only receive event information through email without being included on other general email distribution lists.
3. If an event attendee does not provide an email address or otherwise indicates that he/she does not want to be contacted by email, necessary information can be communicated to the attendee by another method.

Exemption

These guidelines shall not apply to group distribution lists maintained by Staff, including such lists as the Board, Committee Chairs, or Committee Members.
3.b LOGO GUIDELINES

The AZ Water Association logo is a critical component of identity. This logo serves as the umbrella that identifies the core products, as well as the add-on products of AZ Water Association. This two-page guide is for you and your vendors to use when producing collateral, materials, and electronic presentations that incorporate the AZ Water Association logo.

Logo Style Guide - At A Glance

**Full-Color**
Designated AZ Water Association logo colors against a high contrast background. (Note: A white background is always preferred.)

**Without Tagline or AWWA and WEF Logos**
Can appear without the tagline “Professionals Dedicated To Arizona’s Water” or AWWA and WEF Logos. (Note: The area of isolation must be maintained.) Can only be used in areas with limited space.

**Greyscale**
Designated AZ Water Association logo colors against a high contrast background. (Note: A white background is always preferred.)

**Black**
Can only appear in black against a high contrast background. (Note: A white background is always preferred.)

**Reversed**
Can appear in white against a dark color background or photograph. (Notes: Photo must be in high contrast to the logo and must not interfere with the logo. The area of isolation must be maintained.)
POLICIES AND PROCEDURES

Logo Files / Applications
The AZ Water Association is provided in three (3) file formats to suit commonly requested applications.

High Resolution / Production Quality (.eps files)
Use for high-quality, commercial printing of collateral, advertising, and signage, and as source files for graphic design vendors.

Medium Resolution (.tif files)
Use for in-house laser and inkjet printing of collateral, newsletters, faxes, and forms.

Low Resolution (.jpg files)
Use for digital production of web pages and electronic (PowerPoint) presentations.

Logo Colors

Pantone 334 C
C: 00 M: 00 Y: 30 K: 5
RGB: 6174 7317 1617

Pantone 542 C
C: 00 M: 82 Y: 79 K: 0
RGB: 427 718 174

Logo Style Guide - At A Glance

Do not reproduce the logo against a low contrast background.

Do not stretch or skew the proportions of the logo.

Do not alter the scale or relative position of any of the logo elements.

Do not add additional graphic elements to any part of the logo. This includes shadows, outlines, swishes, highlights, etc.
3.c SOCIAL MEDIA

PURPOSE

The Association recognizes the increasing role of social media as a professional communication tool, and the potential liability and credibility issues that may arise when the name of the Association is used in such formats. The Association therefore establishes the following guidelines to direct and encourage ethical and accurate use of social media tools. For the purpose of this policy, “social media” is defined, but not limited to, online tools such as blogs, message boards, chat rooms, networking web sites, video sharing web sites, and photo sharing web sites.

PROCEDURE

Authorization is required prior to the establishment of any social media site that uses or displays the Association name and/or logo, or represents or speaks on behalf of the Association, and it applies to Staff, Volunteers and Members utilizing social media provided or facilitated by the Association. Content and usage of social media will be monitored by Staff for compliance with Association Policies.

1. When using social media on behalf of the Association; Staff, Members, and Volunteers shall accurately and clearly identify themselves by name and identify their relationship with the Association.

2. All social media communications should be based on current, accurate, complete and relevant information. When possible, site the source of the information or a link to a credible web site corroborating the statement, shall be provided. Anecdotes and personal opinions shall be identified as such so that they are not mistaken as facts asserted by the Association.

3. Representatives of the Association shall maintain ethical conduct when using social media tools and not participate in activities that are illegal or in violation of any other Association policy.

4. Courtesy is expected. Polite communication is required, even when disagreements of opinions occur. No personal attacks, slurs, or insults shall be tolerated.

5. Posting of copyrighted and/or trademarked materials is prohibited. The Association assumes no responsibility for the violation of trademarks or copyrights.

6. Distribution of obscene material is prohibited.

7. Solicitations and advertising by users is prohibited.

8. The privacy of all users and non-users shall be respected. Sharing of other's personal information (phone numbers, email addresses, address, employment, etc.) is prohibited.
9. It is the Association’s intent that social media serve as an outlet for discussing activities, a method for attracting new members, and furthering the strategic plan regarding public awareness of water issues in Arizona.

10. Association representatives or groups interested in setting up a social media tool related to the Association shall notify Staff and the Board, in writing, if their intention. Board shall grant authority and Staff shall be provided access to the site to monitor communications at all times. Notification shall include;

   a. a description of the intended social media tool,

   b. purpose of the tool,

   c. and plan for monitoring the tool’s compliance with this and other Association Policies.

11. As the Association has limited control over what is communicated through social media, it is the responsibility of every representative of the Association to immediately report to Staff any communication that is in violation of this policy.

12. The Association reserves the right to delete any material or comments on any social media tool utilizing the Association’s name and/or logo at any time for any reason.

13. The Association reserves the right to terminate use of any social media tool utilizing the Association’s name and/or logo at any time for any reason.
I. Introduction and Purpose

The purpose of these guidelines is to establish a framework to use for the prudent investment of the Association assets in order to meet the Association’s financial stability needs. In the process of identifying the investment strategies to be used, these guidelines provide stability in the management of the portfolio. This policy driven approach reduces the Board’s propensity to act impulsively during volatile markets. The policy furthermore provides parameters for the portfolio by providing guidelines for selecting appropriate investments and classes of assets. It is recognized that from time to time the Board’s attitudes, expectations, and objectives may change. Therefore, these guidelines are intended to be used as a “guide” rather than a rigid statement of policy from which there can be no deviation. The following policy and guidelines relate specifically to the Association’s assets of Reserve and Scholarship Funds.

II. Investment Philosophy

The Association’s Board has established the following risk tolerance criteria for the Reserve and Scholarship Funds:

The Association’s risk tolerance for both short term and long term investments is to grow conservatively and moderately, with the ability to tolerate a small loss during short term volatility.

The Board has ultimate responsibility for the management of the Association and for achieving satisfactory investment performance. The Board has decided that this responsibility can best be met by delegating investment authority and execution to one designated member of the Budget Committee, one designated member of the Scholarship Committee and the Association Treasurer (the three-member Investment Team). The Board’s investment philosophy is for the Association to exercise ordinary business care and prudence in its investment of Association assets considering the long-and short-term needs of the Association in carrying out its mission. The Board recognizes that the uncertainty of future events, volatility of investment assets, and the potential loss in purchasing power are present to some degree with all types of investments. While high levels of risk are to be avoided, the assumption of a moderate level of risk is warranted and encouraged in order to allow the opportunity to achieve satisfactory results consistent with the objectives and investment philosophy of the Association.

III. Investment Objectives

General Objectives

Assets of the Association shall be invested in a manner consistent with the exercise of ordinary care and prudence under the facts and circumstances prevailing at the time of the investment action.
The Third Restatement of the Law: Trusts (Prudent Investor Rule) (1992) directs that a prudent person, acting in a similar capacity familiar with such matters, would use an investment of like character with like aims and with due consideration given to the tax exempt status of the Association.

1. All transactions must be undertaken for the sole interest of the Association’s portfolio and its beneficiaries.

2. The assets must be invested with the safeguards to which a prudent person would adhere.

3. Investments shall be diversified so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

Specific Objectives of the Investment Team

The Investment Team will have full discretion to make all decisions regarding the assets placed under its authority, while observing and operating within all policies, guidelines, constraints, and philosophies as set forth herein. The specific duties of the Investment Team shall include:

1. Discretionary investment management including directing the purchase and sale of investment products and altering the allocation of assets within designated guidelines.

2. Communicating in a timely manner and as soon as the information becomes available any major changes in the ongoing investment strategy, or other factors that affect the investment process or the investment objectives of the Reserve and Scholarship Funds.

3. Providing investment performance reports to the Board through the Treasurer, quarterly.
   Quarterly reports are to indicate performance returns for past time periods of one quarter, one year, three years, five years and since inception if applicable.

4. Meeting with the Board at least annually.

5. Collection and distribution of monthly financial statements within the Investment Team.

IV. Reserve Fund: Asset Allocation by Individual Account

The Reserve Fund shall contain two separate mutual fund accounts – a money market mutual fund (operating account) and a broadly diversified investment mutual fund containing stocks, bonds and other securities (investment account). The investment objectives will be tailored to the goals of each particular account.

1. Money Market Fund (operating account)
Policies and Procedures

1. Money Market Fund (operating account)
   a. Fixed income securities shall be represented in the portfolio up to a maximum of 100% of the Association’s operating account’s market value with a minimum of 90%.

2. Investment Mutual Fund (investment account)
   a. Equities shall be represented in the portfolio up to a maximum of 50% of the investment account’s market value with a minimum of 30%.
   b. Fixed income securities (including preferred stocks and convertible bonds) shall be represented with a minimum of 50% and shall not exceed a maximum exposure of 70% of the Association’s investment account’s market value.

3. Total Reserve Fund
   a. The Money Market Fund (operating account) shall be represented up to a maximum of 70% of the total Reserve account market value with a minimum of 50%.
   b. The Investment Mutual Fund (investment account) shall have a minimum exposure of 30% and shall not exceed a maximum exposure of 50% of the Association’s total Reserve account market value.

V. Scholarship Fund: Asset Allocation by Individual Account

The Scholarship Fund shall contain two separate mutual fund accounts – a money market mutual fund (operating account) and a broadly diversified investment mutual fund containing stocks, bonds and other securities (investment account). The investment objectives will be tailored to the goals of each particular account.

1. Money Market Fund (operating account)
   a. Fixed income securities shall be represented in the portfolio up to a maximum of 100% of the Association’s operating account’s market value with a minimum of 90%.

2. Investment Mutual Fund (investment account)
   a. Equities shall be represented in the portfolio up to a maximum of 50% of the investment account’s market value with a minimum of 30%.
   b. Fixed income securities (including preferred stocks and convertible bonds) shall be represented with a minimum of 50% and shall not exceed a maximum exposure of 70% of the Association’s investment account’s market value.

3. Total Scholarship Fund
   a. The Money Market Fund (operating account) shall be represented up to a maximum of 50% of the total scholarship account market value with a minimum of 30%.
   b. The Investment Mutual Fund (investment account) shall have a minimum exposure of 50% and shall not exceed a maximum exposure of 70% of the Association’s total scholarship account market value

VI. Additional Guidelines and Restrictions for Individual Accounts

Money Market Fund (operating account)
1. **Guidelines**

   a. Fixed income assets selected for the money market fund portfolio must have a readily ascertainable market value and must be readily marketable.

   b. Bond and corporate debt obligation maturities may not exceed 12 years.

   c. Adequate diversification across the money market fund shall be maintained. The fund may not:
      
      i) Invest more than 5% of the assets taken at cost in any one company. (U.S. Government guaranteed issues and its agencies are excluded from these limitations).

      ii) Invest more than 5% of the assets taken at cost in any one issue. (U.S. Government guaranteed issues and its agencies are excluded from these limitations).

2. **Restrictions:**

   a. **U.S. Government Obligations**, including fully-guaranteed federal agencies
      No restrictions.

   b. **Commercial Paper**
      i) Must be rated within the two highest classifications, by two rating services. (S&P, and Moody’s).

      ii) Must mature within 270 days or less from issue.


   d. **Corporate Debt Obligations**, corporate debt obligations will be investment grade quality.

   e. **Cash Equivalents**
      
      The Board will accept investing in interest bearing money market funds, FDIC insured certificates of deposit, U.S. Treasury Bills, and other cash equivalent securities with a maturity of one year or less and a credit rating of AA or better by Moody's or S&P.

**Investment Mutual Fund (investment account)**

1. **Guidelines**

   Investment mutual fund individual issue or individual common stock purchases shall:

   a. Be registered on a national securities exchange (excluding common stocks of insurance, banks or trust companies).
b. Not exceed more than 5% of the outstanding common stock of any one company.

c. Not exceed more than 5% of the investment mutual fund assets in any one corporation, valued at cost.

2. Restrictions
The Association does not want the investment mutual fund to invest in the following classes of securities, nor will it allow the employment of any of the following market techniques without the Board’s written approval and Board majority vote.

a. Purchase of stocks with questionable environmental practices and/or purchase of stocks that are in conflict with the Association’s mission.

b. Purchase private placement debt.

c. Mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any securities owed or held by the Association.

VII. Administrative and Review Procedures.

A. Review of Policies.
All investment policies and investment management guidelines shall be reviewed annually by the Association’s Board, or whenever circumstances change to the extent that the policies are ineffective or inappropriate. The review will be conducted in conjunction with the Investment Team.

B. Review of Investment Performance.
The review of investment results will focus on adherence to investment policies and guidelines and the performance of the Investment Team and accounts.

C. Distributions.

Money Market Fund (operating account)
The operating account is used for most transactional activities. The Board has decided to keep a separate operating account with a conservative cash buffer to allow for direct funding of activities. In the event that funds are needed to supplement the operating account, the
Investment Team will contact the Treasurer to transfer monies between the investment account and the operating account accordingly.

**Investment Mutual Fund (investment account)**

The Investment Account will be stable in regards to few deposits and withdrawals. This account will be used most likely for the yearly deposits of individual and Board contributions. Withdrawals will most likely include exchanges to the Money Market Fund for subsequent distributions or rebalancing of the portfolio policies (see above).

D. Fund Financial Goals

**Reserve Fund Goal**

The goal of the Reserve Fund is to grow and maintain a total account balance that is equal to or is greater than the Board approved expenses for the annual conference and according to Board direction. Transactions will be made at the direction of the Investment Team and Board.

**Scholarship Fund Goal**

The goal of the Scholarship Fund is to grow and maintain a $500,000 total account balance, and give scholarships out according to Board direction. Transactions will be made at the direction of the Investment Team and Board.
4.b TRAVEL, EXPENSE, REIMBURSEMENT

1. Purpose

The Association recognizes that the Board, Officers, Committee Chairs, designated Committee Members and Staff may be required to travel or incur other expenses from time to time to conduct Association business and to further the mission of this non-profit Association. The purpose of this Policy is to ensure that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, and (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Personnel. It is the policy of the Association to reimburse only reasonable and necessary expenses actually incurred by Personnel.

When incurring business expenses, the Association expects Personnel to:

- Exercise discretion and good business judgment with respect to those expenses.
- Be cost conscious and spend the Association’s money as carefully and judiciously as the individual would spend his or her own funds.
- Report expenses, supported by required documentation, as they were actually spent.

2. Expense Report

Expenses will not be reimbursed unless the individual requesting reimbursement submits a written Expense Report. The Expense Report, which shall be submitted at least monthly or within two weeks of the completion of travel if travel expense reimbursement is requested, must include:

- The individual’s name.
- If reimbursement for travel is requested, the date, origin, destination and purpose of the trip, including a description of each Association-related activity during the trip.
- The name and affiliation of all people for whom expenses are claimed (i.e., people on whom money is spent in order to conduct Association business).
- An itemized list of all expenses for which reimbursement is requested.

3. Receipts

Receipts are required for all expenditures billed directly to the Association, such as airfare and hotel charges. No expense in excess of $25.00 will be reimbursed to Personnel unless the individual requesting reimbursement submits with the Expense Report written receipts from each vendor (not a credit card receipt or statement) showing the vendor’s name, a description of the services provided (if not otherwise obvious), the date, and the total expenses, including tips (if applicable).

4. General Travel Requirements

A. Advance Approval
All trips involving air travel or at least one overnight stay must be approved in advance by the Board during the budget process. Any out-of-state travel must be approved by Association’s Board President or designee.
B. Necessity of Travel
In determining the reasonableness and necessity of travel expenses, Personnel and the person authorizing the travel shall consider the ways in which the Association will benefit from the travel and weigh those benefits against the anticipated costs of the travel. The same considerations shall be taken into account in deciding whether a particular individual’s presence on a trip is necessary. In determining whether the benefits to the Association outweigh the costs, less expensive alternatives, such as participation by telephone or video conferencing, or the availability of local programs or training opportunities, shall be considered.

C. Personal and Spousal Travel Expenses
Individuals traveling on behalf of the Association may incorporate personal travel or business with their Association-related trips; however, Personnel shall not arrange Association travel at a time that is less advantageous to the Association or involving greater expense to the Association in order to accommodate personal travel plans. Any additional expenses incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the individual and will not be reimbursed by the Association. Expenses associated with travel of an individual’s spouse, family or friends will not be reimbursed by the Association.

5. Air Travel
A. General
Air travel reservations should be made as far in advance as possible in order to take advantage of reduced fares. The Association will reimburse or pay only the cost of the lowest coach class fare actually available for direct, non-stop flights from the airport nearest the individual’s home or office to the airport nearest the destination.

B. Saturday Stays
Personnel traveling on behalf of the Association are not required to stay over Saturday nights in order to reduce the price of an airline ticket. An individual who chooses to stay over a Saturday night shall be reimbursed for reasonable lodging and meal expenses incurred over the weekend to the extent the expenses incurred do not exceed the difference between the price of the Saturday night stay ticket and the price of the lowest price available ticket that would not include a Saturday night stay. To receive reimbursement for such lodging and meal expenses, the individual must supply, along with the Expense Report, documentation of the amount of the difference between the price of the Saturday stay and non-Saturday stay airline tickets.

C. Frequent Flyer Miles and Compensation for Denied Boarding
Personnel traveling on behalf of the Association may accept and retain frequent flyer miles and compensation for denied boarding for their personal use. Individuals may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

6. Lodging
Personnel traveling on behalf of the Association may be reimbursed at the single room rate for the reasonable cost of hotel accommodations. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the individual’s itinerary shall be considered in
determining reasonableness. Personnel shall make use of available corporate and discount rates for hotels. “Deluxe” or “luxury” hotel rates will not be reimbursed.

7. Out-Of-Town Meals
Personnel traveling on behalf of the Association are reimbursed for the reasonable and actual cost of meals (including tips not to exceed 20 percent) subject to a maximum per day meal allowance of $50 per day and the terms and conditions established by the Association relating to the per diem meal allowance.

8. Ground Transportation
Responsible persons are expected to use the most economical ground transportation appropriate under the circumstances and should generally use the following, in this order of desirability:

**Courtesy Cars**
Many hotels have courtesy cars, which will take you to and from the airport at no charge. The hotel will generally have a well-marked courtesy phone at the airport if this service is available. Employees should take advantage of this free service whenever possible.

**Airport Shuttle or Bus**
Airport shuttles or buses generally travel to and from all major hotels for a small fee. At major airports such services are as quick as a taxi and considerably less expensive. Airport shuttle or bus services are generally located near the airport’s baggage claim area.

**Taxis**
When courtesy cars, airport shuttles, and ride shares are not available, a taxi is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved. A taxi may also be the most economical mode of transportation between an individual’s home and the airport.

**Rental Cars**
Car rentals are expensive so other forms of transportation should be considered when practical. Responsible Persons will be allowed to rent a car while out of town provided that advance approval has been given by the individual’s supervisor and that the cost is less than alternative methods of transportation.

9. Personal Cars
Personnel are compensated for use of their personal cars when used for Association business. When individuals use their personal car for such travel, including travel to and from the airport, mileage will be allowed at the currently approved IRS rate per mile.
In the case of individuals using their personal cars to take a trip that would normally be made by air, e.g., Phoenix to Las Vegas, mileage will be allowed at the currently approved rate; however, the total mileage reimbursement will not exceed the sum of the lowest available round trip coach airfare.

10. Parking/Tolls
Parking and toll expenses, including charges for hotel parking, incurred by Personnel traveling on Association business will be reimbursed. The costs of parking tickets, fines, car washes, valet
service, etc., are the responsibility of the employee and will not be reimbursed. On-airport parking is permitted for short business trips. For extended trips, Personnel should use off-airport facilities.

11. Entertainment and Business Meetings
Reasonable expenses incurred for business meetings or other types of business-related entertainment will be reimbursed only if the expenditures are approved in advance by the Association’s Board President or designee and qualify as tax deductible expenses. Detailed documentation for any such expense must be provided, including:

- date and place of entertainment.
- nature of expense.
- names, titles and corporate affiliation of those entertained.
- a complete description of the business purpose for the activity including the specific business matter discussed.
- vendor receipts (not credit card receipts or statements) showing the vendor’s name, a description of the services provided, the date, and the total expenses, including tips (if applicable).

12. Other Expenses
Reasonable Association-related telephone, internet, and fax charges due to absence of Personnel from the individual's place of business are reimbursable. In addition, reasonable and necessary gratuities that are not covered under meals may be reimbursed. Finally, emergency secretarial work and/or postal charges incurred are reimbursable for the purpose of work on behalf of the Association.

13. Non-Reimbursable Expenditures
The Association maintains a strict policy that expenses in any category that could be perceived as lavish or excessive will not be reimbursed, as such expenses are inappropriate for reimbursement by a nonprofit, educational Association. Expenses that are not reimbursable include, but are not limited to:

- Travel insurance.
- First class tickets, upgrades, or early bird check-in.
- When lodging accommodations have been arranged by the Association and the individual elects to stay elsewhere, reimbursement is made at the amount no higher than the rate negotiated by the Association. Reimbursement shall not be made for transportation between the alternate lodging and the meeting site.
- Limousine travel.
- Movies and liquor or bar costs (exception would be approved dinner/drinks with national representatives during annual conference & exhibition).
- Membership dues at any country club, private club, athletic club, golf club, tennis club or similar recreational Association.
- Participation in or attendance at golf, tennis or sporting events, without the advance approval of the Association’s Board President or designee.
- Purchase of golf clubs, lessons or any other sporting equipment.
- Spa or exercise charges.
- Clothing purchases.
- Business conferences and entertainment which are not approved by the Association’s Board President or designee.
- Valet service.
• Car washes.
• Toiletry articles.
• Expenses for spouses, friends or relatives. If a spouse, friend or relative accompanies Personnel on a trip, it is the responsibility of the Personnel to determine any added cost for double occupancy and related expenses and to make the appropriate adjustment in the reimbursement request.
• Overnight retreats without the prior approval of the Association’s Board President or designee.
4.c  SPEAKER HONORARIUM AND EXPENSES

PURPOSE

The Association recognizes that obtaining key note speakers and speakers from publicly-funded Associations may, in certain instances, require the reimbursement of travel expenses and/or payment to the speaker for his/her time to provide training at Association sponsored events.

These situations have become more frequent and a policy is appropriate for the Association so that each situation is handled in a consistent manner. Each situation in which expenses or honorarium type payment is requested by a speaker should be evaluated on a case by case basis with the assistance of the Committee Chair and Staff in order to make an informed and financially sound decision.

In order to ensure that the overall budget for the Association is balanced, Committees seeking reimbursement for speakers or speaker honorariums shall prepare a budget request as part of the annual budget and work plan submittal process, and shall utilize the matrix for pricing, such that additional cost of such fees and/or honorariums do not adversely affect the net income of the event.

PROCEDURE

1. Committees seeking reimbursement for speakers or speaker honorariums shall prepare a budget request as part of the annual budget and work plan submittal process.

2. Prior to accepting the request for compensation or expense reimbursement from the proposed speaker, Staff or the Treasurer shall determine an appropriate increase to the registration fee to cover the additional expenses to be incurred based on reasonable assumptions of attendance, etc.

3. Registration for speakers who are attending seminars solely as speakers shall be complimentary. Speakers at the Association’s Annual Conference & Exhibition shall be required to pay registration if they wish to attend any session other than the one at which they are speaking.

4. Requests for honorarium compensation and expense reimbursement shall be accompanied by receipts and shall be forwarded by Staff to the Executive Director who shall have final authority as to whether requests for compensation or reimbursement are approved.

5. Expense reimbursement shall be at the Federal Government published Per Diem Rates for the city closest to the training event location.

6. Where the event is more than 4 hours from the speaker's residence, air fare may be reimbursed at the discretion of the Association. Automobile mileage shall be reimbursed at the published Federal Government rate. Maximum reimbursement shall be the lower of economy airfare or automobile mileage. Lodging costs shall be paid for one night prior to or the day of the event only.