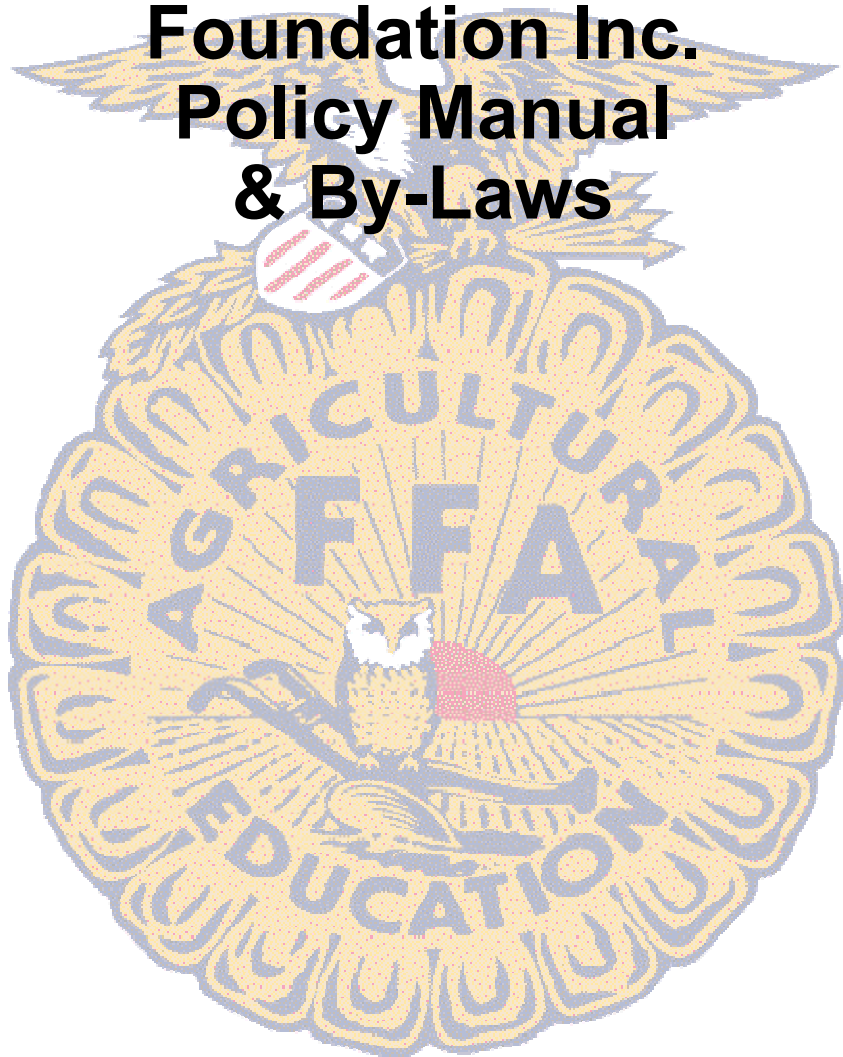


**North Dakota
FFA
Foundation Inc.
Policy Manual
& By-Laws**



Revised 3/18/2009

ANNUAL CONSIDERATIONS

1. The Board shall annually adopt an operating budget at the Fall Board Meeting.
2. Review awards for the FFA Association.
3. Review policies and programs.
4. Review By-Laws.
5. Review contracts with the Career Technical Student Organizations, North Dakota Farm Management, the North Dakota Association of Agriculture Educators and the office space lease.
6. The Board shall provide for an annual audit.
7. The Executive Committee of the Board of Directors shall provide for an annual performance review of the Executive Director in August to allow for compensation recommendations at the Fall Board Meeting.
8. Review and adjust salary and benefits for the Executive Director at the Fall Board Meeting.
9. The Executive Director shall provide for the annual performance review and compensation of the Public relations Officer.

The North Dakota FFA Foundation, Inc. prohibits discrimination on the basis of race, color, national origin, sex, religion, age, disability, political belief or marital or family status.

AWARDS

- January:** Greenhand Conference
Conference Awards
Star Greenhand
Sponsor Recognition
Leach Foundation Request
Officer Expenses - Travel, Lodging and Meals
- Made For Excellence
Sponsor Recognition
Member Scholarships
Advanced Leadership Development
Sponsor Recognition
Member Scholarships
- March:** Winter Show
Livestock Contest and Awards
Crops Contest and Awards
Ag Sales Contest and Awards
Sponsor Recognition
- June:** State Convention
State Degrees
Honorary Degrees
State Career Development Events (Contests)
Proficiency Awards
Creed
Courtesy Corps
Public Speaking
Environmental Protection
Quiz Contest
State and National Sponsor Awards
Sponsor Recognition Dinner
Parents' Dinner
"Fun" Activity Recognition Awards
10 year sponsor recognition plaques
Convention Banquet
Convention Speakers (Motivational)
- Blast Off
- National Leadership Conference for State Officers (NLCSO)
travel and registration expenses

2.1

- July:** Land Judging
Officer Expenses
Awards
- State Fair
Tractor Driving Awards
Project Awards
Officer Expenses - Travel, Lodging and Meals
- State Presidents' Conference
Travel Scholarships
- August:** Summer Conference
Officer Workshop
- September:** Range Judging
Officer expenses
Awards
- October:** District Leadership
Awards
State Officer Expenses - Travel, Lodging and Meals
National Convention
Team Travel Scholarships
Band, Chorus, Courtesy Corps, and all Non-Team Travel
State Officer Expenses-Travel, Lodging, and Meals

2.2

EMPLOYEE BENEFITS

HOLIDAYS

1. The following days will be granted as Holidays:

New Year's Day
Martin Luther King Day
President's Day
Good Friday
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Christmas Day

and any day appointed by the President of the United States or the Governor of this state or declared by the Board. Should the holiday fall on Saturday, Friday shall be the day taken, and should the holiday fall on Sunday, Monday shall be the day taken.

SERVICE AWARD

It is the policy of the Board of Directors to recognize employees for time and service. Board members shall receive recognition upon retiring from the board.

EMPLOYEE CLASSIFICATION

The Executive Director and Public Relations Officer of the North Dakota FFA Foundation, Inc. is considered exempt from the overtime-pay provisions.

EMPLOYEE COMPENSATION

Employees will be paid salary on a monthly basis. Benefits shall be available for the Executive Director in the form of a single health plan or \$150. per month and a simple IRA with matching funds up to 3 percent of salary.

LEAVE

It is the policy of the Board of Directors to provide leave compensation for full-time employees.

1) Annual Leave

- A. 1 through 3 years service - earn 1 day per month - 12 days/yr
4 through 7 years service - earn 1¼ days per month - 15 days/yr
8 through 12 years service - earn 1½ days per month - 18 days/yr
13 through 18 years service - earn 1¾ days per month
21 days/yr
Over 18 years service - earn 2 days per month - 24 days/yr

May accumulate up to 240 hours. Any leave in excess of 240 hours not used prior to December 31 of each year will be forfeited by the employee.

- B. Employees terminating their employment shall be paid for all earned annual leave in normal payroll installments or at the discretion of the Foundation Board.
- C. Annual leave shall be granted by the employer only at such times as it will least interfere with the efficient operation of the organization.
- D. All employees shall be encouraged to take annual leave each year.
- E. Should an employee die while employed, their beneficiaries will be entitled to all earned annual leave.

2) Sick Leave

- A. Sick leave is a benefit granted by the Foundation to all employees eligible, and is not a benefit considered to be earned by the employee such as a vacation. It is an insurance benefit allowing employees to build a reserve of days they can use for extended employee illnesses. Abuse of this privilege may be grounds for dismissal.
- B. Twelve sick days per year will be granted to all employees, with no limit on accumulated carryover. Necessary advancement may be granted.
- C. Permanent employees are eligible for maternity leave under the sick leave policy. For purposes of this policy, delivered pregnancy or miscarriage, are viewed as medical reasons and as such are treated as other medical

reasons in terms of sick leave.

3.2

D. No payment shall be made for accumulated sick leave when an employee retires, terminates their employment, has their employment terminated by the Foundation, or dies while employed.

3) Maternity Leave

A. Accumulated annual leave may be used for maternity after expiration of all accumulated sick leave.

B. At the discretion of the Board of Directors, and upon request of the employee, leave without pay may be granted during pregnancy prior to the onset of any medical disability.

1. An employee may be required to submit a written request for leave without pay prior to her expected date of delivery.

2. The Foundation may request a written statement signed by her physician stating the expected date of delivery.

4) Funeral Leave

A. Two (2) days paid funeral leave will be granted when death occurs in an employees immediate family for attending the funeral. Immediate family is defined as: father, mother, sister, brother, son, daughter, grandchild, husband and wife.

5) Jury Duty

A. When an employee is called for jury duty, such employee shall be granted time off without loss of pay.

B. Any compensation received by the employee for jury duty shall be turned over to the Foundation.

6) Military Leave

It is the policy of the Board of Directors to provide military leave full-time employees.

TRAVEL

The Board of Directors are not eligible for reimbursement.

As provided by the annual budget the Executive Director shall be authorized to be reimbursed according to the following guidelines.

- 1) Mileage
 - A. Employees will receive the same compensation as the state gives for use of personal car on Foundation business (update to State Legislative approval)
- 2) Meals
 - A. Meals - will be reimbursed for Breakfast, Lunch and Dinner at the same rate as allowed by the state for their employees.
- 3) Lodging
 - A. Lodging, when necessary, is actual cost.
 - B. Receipts must accompany requests for reimbursement and be approved by the Board President.

Any exception to policy manual will be under special circumstances with Board approval.

4.1

FINANCE

- 1) To provide for continued day to day operations, the Executive Director is authorized to expend up to \$500 for items not included in the budget.
- 2) All ND FFA Foundation, Inc. funds are to be deposited in state or federally chartered North Dakota banks insured by the Federal Deposit Insurance Corporation (FDIC). Funds shall not be deposited in excess of the FDIC insured amount. Investment funds shall be deposited with a licensed broker.
- 3) One half of FFA, \$1 per member, dues must be invested on an annual basis, generally in April of each year after the membership roster is basically complete. These funds are to be purchased as directed by the FFA membership.
- 4) Executive Director, Public Relations Officer, State FFA Advisor, and State Ag Education Secretary are authorized by the Board of Directors and have access to the safe deposit box at the Wells Fargo Bank in Bismarck.
- 5) The Foundation is exempt under Sec 501 (C)(3) as an Educational Non-Profit Foundation. Gifts made to the Foundation are deductible according to the Federal Income Tax Regulations.
- 6) The Executive Director and a member of the board shall serve as the Investment Committee for FFA Foundation funds following the guidelines established by the Board of Directors.

INVESTMENT GUIDELINES

- 1) Investments shall be made solely in the interest of the Foundation.
- 2) The portfolio of investments shall be diversified so as to meet the current cash flow needs and the long-term capital growth goals of the Foundation.
- 3) The assets deemed necessary to meet current cash flow needs shall be managed to protect principal value, earn interest and maintain liquidity. These assets will be managed internally by the Executive Director or a designee of the Executive Director.
- 4) The assets allocated toward long-term capital growth shall be managed with growth of principal and the primary objective with fluctuation of principal secondary to long-term growth. These assets will be managed by an Investment Broker under the supervision of the Investment Committee.
- 5) The FFA Foundation Board will determine the allocation of funds to short-term cash flow investment needs and to long term growth investment needs.

INSURANCE

- 1) The following minimum insurance coverage will be carried:

<u>TYPE</u>	<u>COVERAGE</u>
Liability Limits	
Liability & Medical	\$1,000,000.00
Medical Expenses	5,000.00 /person
Fire Legal Liability	50,000.00 /fire
Property Coverage	
Business Personal Property	20,000.00
Employee Bond	\$100,000.00

6.1

MEETINGS

The North Dakota FFA Foundation Board of Directors shall meet as follows:

- 1) The Annual Meeting will be held during the North Dakota State Fair.
- 2) An annual Board of Directors meeting in the Fall and one in the Spring.
- 3) Any other time as provided in the By-Laws.

7.1

SCHOLARSHIPS

- 1) Provide four registration scholarships for North Dakota FFA members to attend the Washington Conference Program. Registration fee dollar amount is approximately \$2,200.
- 2) The Foundation will provide transportation costs for up to two business and industry nominees who will be receiving the Honorary American FFA Degree at the National FFA Convention with the ND FFA Association to pick up the housing.

NATIONAL RELATIONS

- 1) The ND FFA Foundation, Inc. will adopt a Constitution and By-Laws that do not conflict with the like documents of the National FFA Organization and the National FFA Foundation, Inc.
- 2) The North Dakota FFA Foundation, Inc. will work cooperatively with the National FFA Foundation to recognize FFA Sponsors who have contributed to the National FFA Foundation for state awards and activities.

Conflict of Interest Policy

CONFLICT OF INTEREST POLICY

ARTICLE I-PURPOSE

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II-DEFINITIONS

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment of family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III-PROCEDURES

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interest person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV-RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V-COMPENSATION

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI-ANNUAL STATEMENTS

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII-PERIODIC REVIEWS

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII-USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Organization may, but not need to, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

10.1

GIFT ACCEPTANCE POLICY

In accepting gifts, bequests, and devises, it is the intention that the Directors will manage the affairs in such a manner so as to comply with the meaning of the terms and limitations of the Articles of Incorporation and these By-Laws so that such actions will not jeopardize the federal income tax exemption of this Corporation pursuant to the provisions of Sec. 501 (c) (3) of the Internal Revenue Code of 1954 as now in force or as may be amended.

1. Procedures for accepting gifts and establishing funds, including any necessary approvals.
 - a. Discussion with donor as to restrictions on fund
 - b. Preparation of endowment agreement
 - c. Gift made and agreement signed by donor and ND FFA President accepting the gift and fund
2. Conditions under which board approval is required to accept a gift or asset type or establish a fund
 - a. Board approval required if gift, asset, or fund restrictions are outside previously accepted type of gift, asset, or restriction
 - b. Board approval if staff feels that gift, asset or fund restrictions warrant extra scrutiny

11.1

WHISTLEBLOWER POLICY

1. General

The ND FFA Foundation expects its directors, officers, employees, and other representatives to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of Arts Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

2. Reporting Responsibility

It is the responsibility of all directors, officers, and employees to report Wrongful Conduct in accordance with this Whistleblower Policy.

3. Wrongful Conduct

“Wrongful Conduct” is defined in this Whistleblower Policy to include: a serious violation of ND FFA Foundation policy; a violation of applicable state and federal law; or the use of the ND FFA Foundation property, resources, or authority for personal gain or other non organization-related purpose except as provided under ND FFA Foundation policy

This definition of Wrongful Conduct is not intended to be an exclusive listing of the illegal or improper activity encompassed by the Whistleblower Policy. Rather, the Whistleblower Policy is intended to serve as a means of reporting all serious improprieties that potentially impact the integrity and effective operation of the ND FFA Foundation.

4. No Retaliation

No director, officer, or employee who in good faith reports Wrongful Conduct will suffer harassment, retaliation or adverse employment consequence. Any director, officer, or employee who retaliates against anyone who has reported Wrongful Conduct in good faith is subject to discipline up to and including termination of employment or removal from the board or directors, as applicable. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the ND FFA Foundation prior to seeking resolution outside ND FFA Foundation.

5. Reporting Wrongful Conduct

Arts Organization encourages its directors, officers, and employees to share their questions, concerns, suggestions, or complaints with someone who can address them properly. Any director, officer, or employee may report Wrongful Conduct to the Executive Director or the president of the board of directors. If the Wrongful Conduct implicates one or both of the Executive Director or the president of the board of directors, or if the reporting individual is not comfortable speaking with or not satisfied with response of the foregoing individuals, the issue may be reported to any member of the board of directors. The Executive Director, president of the board of directors, and all members of the board of directors to whom a report of Wrongful Conduct is made are required to immediately advise the full board of directors of such report of Wrongful Conduct.

6. Acting in Good Faith

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

7. Confidentiality

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

8. Handling of Reported Wrongful Conduct

A representative of the board of directors will notify the sender and acknowledge receipt of the reported Wrongful Conduct or suspected Wrongful Conduct within five business days, unless such report was submitted anonymously. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

12.1

BUSINESS RECORDS RETENTION SCHEDULE

Business records, especially those that are voluminous and bulky, should be disposed of as soon as they outlive their usefulness. The executive director and staff will shred all records after the retention period has passed.

	<u>Retention Period</u>
Accident reports and claims (settled cases)	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	1 year
Capital stock and bond records; ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently
Cash books	Permanently
Checks (cancelled but see exception below)	7 years
Checks (cancelled for important payments, i.e., taxes, purchases of property, special contracts, etc.) (checks should be filed with the papers pertaining to the underlying transaction)	Permanently
Contracts and leases (expired)	7 years
Contracts and leases still in effect	Permanently
Correspondence (legal and important matters only)	Permanently
Deeds, mortgages and bills of sale	Permanently
Duplicate deposit slips	1 year
Employee personal records (after termination)	3 years
Employment applications	3 years
Financial statements (end-of-year, other months optional)	Permanently
General and private ledgers (and end-of-year trial balances	Permanently
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports (in some situations longer retention periods may be desirable)	3 years
Minute books of directors and stockholders, including by-laws and charter	Permanently
Payroll records and summaries	7 years
Sales records	7 years
Stock and bond certificates (cancelled)	7 years
Subsidiary ledgers	7 years
Tax returns and worksheets, revenue agents' reports and other documents relating to determination of income tax liability	Permanently
Vouchers for payments to vendors, employees, etc. (including allowances and reimbursement of employees, officers, etc. for travel & entertainment expenses)	7 years