



## 990 POLICIES

### ANTITRUST POLICY AND UNFAIR COMPETITION

Violation of federal and state antitrust laws, which include agreement among competitors to fix prices, eliminate competition or restrain trade, or the knowing acceptance of preferential discounts from competitors, is prohibited.

1. Basic Antitrust Laws Sherman Antitrust Act (1890): Section 1: "Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal..."
2. Affirmative Action- Price Fixing or Other Unlawful Agreement
  - a. Record of industry meetings and other meetings with competitors: To build a file so that there can be no questions as to the nature of conversations with competitors, prepare memoranda of such meeting/conversations .
  - b. If an otherwise legal meeting and/or conversation drifts into illegal subjects.
    1. Dissent and warn others that subject is illegal.
    2. Withdraw from discussion as soon as possible, and
    3. Prepare memorandum of events (copy Association counsel).
  - c. When time permits (obviously not in a meeting or other conversation), check with Association counsel to determine whether participation is detrimental to the Association.

### CONFLICT OF INTEREST POLICY

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.

#### ***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, or 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.

### ***Procedures***

**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.

**Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested 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.

### **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.

**Violations of the Conflicts 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.

**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.

**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.

**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 conflicts 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.

**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.

**Use of Outside Experts:** When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, 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.

## **FORM 990 REVIEW POLICY**

The purpose of this policy is to create a process for preparation and review of the Form 990 and its distribution to all board members of CHLA (the "Organization") whether before or after filing with the Internal Revenue Service. This process will provide the board members the opportunity to review the Form 990 while also ensuring that annual filing deadlines may be met.

**Procedure for Preparation and Review of Form 990:** The Organization's President & CEO is responsible for the timely preparation of the Form 990. The Organization's President & CEO may confer with accountants and legal counsel of the Organization with respect to drafts of the Form 990.

Copies of the completed Form 990, including required schedules, will also be reviewed by the Executive Committee or their designee.

Any questions or concerns will be noted and addressed, and the President & CEO shall ensure that any appropriate changes are incorporated into the Form 990, which then shall be signed by the President & CEO or other authorized officer of the Organization.

**Filing of Form 990:** The President & CEO ensure the Form 990 is be filed with the IRS on a timely basis.

**Distribution of Form 990 to All Members of Governing Body:** A copy of the filed Form 990 shall be circulated to the Board of Directors as promptly as reasonably practical after the filing, and in no case later than its next regular meeting following such filing. The final form as filed with the IRS may be distributed either in paper or electronic form in any manner deemed appropriate by the Organization's President & CEO.

## **COMPENSATION POLICY FOR OFFICERS, DIRECTORS, TOP MANAGEMENT OFFICIALS AND KEY EMPLOYEES**

This is the policy of CHLA (the "organization") with respect to the review and approval of compensation of its officers and employees. This policy provides a procedure for the review and approval of the compensation of the officers, directors, President & CEO, and key employees of the organization ("Compensated Individuals") consistent with applicable federal tax law and Colorado law.

### **Procedure for Approval of Compensation**

**General.** The board of directors or trustees, or authorized committee ("Governing Body") shall review and approve the compensation of Compensated Individuals.

*Adopted by CHLA Board of Directors 4/22/2015*

**Specific Requirements.** The Governing Body reviewing and approving compensation for Compensated Individuals shall satisfy the following requirements or procedures:

**Approval by Persons Without a Conflict of Interest.** Compensation shall be reviewed and approved by the Governing Body, provided that persons with a conflict of interest with respect to the compensation arrangement at issue are not involved. Members of the Governing Body do not have a conflict of interest if they (a) are not benefitting from or participating in the compensation arrangement; (b) are not in an employment relationship subject to the direction or control of any person benefitting from or participating in the compensation arrangement; (c) do not receive compensation or other payments subject to the approval of any person benefitting from or participating in the compensation arrangement; (d) have no material financial interest affected by the compensation arrangement; and (e) do not approve a transaction providing economic benefits to any person participating in the compensation arrangement, who in turn has or will approve a transaction providing economic benefits to the member. (Form 990, Part VI, Line 15, 2009 Instructions; Treas. Reg. § 53.4958-6(c)(1)(iii).)

**Use of Comparability Data.** In its review and approval of compensation, the Governing Body shall review and use data and surveys of comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations. (Form 990, Part VI, Line 15, 2009 Instructions.)

**Recording Compensation Deliberations.** The Governing Body shall contemporaneously document and maintain records with respect to the deliberations and decisions regarding the compensation arrangement. (Form 990, Part VI, Line 15, 2009 Instructions.)

**Review and Approval for Certain Executive Officers.** In addition to the requirements of this policy applicable to all Compensated Individuals, any compensation set for the CEO or president, and CFO or treasurer, (or individuals with equivalent powers, duties or responsibilities comparable to these positions), must also be determined to be just and reasonable. The Governing Body's review and approval shall occur initially upon hiring, whenever the term of employment, if any, is renewed or extended, and whenever the compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees.

## **DOCUMENT RETENTION AND DESTRUCTION POLICY**

This Policy represents the policy of CHLA (the "organization") with respect to the retention and destruction of documents and other records, both in hard copy and electronic media (which may merely be referred to as "documents" in this Policy). Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the organization as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained; and (c) guidance for the Board of Directors, officers, staff and other constituencies with respect to their responsibilities concerning document retention and destruction. Notwithstanding the foregoing, the organization reserves the right to revise or revoke this Policy at any time.

**Responsibilities of the Administrator:** The organization's President & CEO shall be the administrator ("Administrator") in charge of the administration of this Policy. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The Administrator shall also be responsible for documenting the actions taken to maintain and/or destroy organization documents and

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retaining such documentation. The Administrator may also modify the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories as may be appropriate to reflect organizational policies and procedures. The Administrator is also authorized to periodically review this Policy and Policy compliance with legal counsel and to report to the Board of Directors as to compliance. The Administrator may also appoint one or more assistants to assist in carrying out the Administrator's responsibilities, with the Administrator, however, retaining ultimate responsibility for administration of this Policy.

**Responsibilities of Constituencies:** This Policy also relates to the responsibilities of board members, staff, volunteers and outsiders with respect to maintaining and documenting the storage and destruction of the organization's documents. The Administrator shall report to the Board of Directors (the board members acting as a body), which maintains the ultimate direction of management. The organization's staff shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in implementing it. The responsibility of volunteers with respect to this Policy shall be to produce specifically identified documents upon request of management, if the volunteer still retains such documents. In that regard, after each project in which a volunteer has been involved, or each term which the volunteer has served, it shall be the responsibility of the Administrator to confirm whatever types of documents the volunteer retained and to request any such documents which the Administrator feels will be necessary for retention by the organization (not by the volunteer). Outsiders may include vendors or other service providers. Depending upon the sensitivity of the documents involved with the particular outsider relationship, the organization, through the Administrator, shall share this Policy with the outsider, requesting compliance. In particular instances, the Administrator may require that the contract with the outsider specify the particular responsibilities of the outsider with respect to this Policy.

**Suspension of Document Destruction; Compliance:** The organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever "knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States ... or in relation to or contemplation of any such matter or case." Therefore, if the Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with legal counsel. If any board member or staff member becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the organization, and they are not sure whether the Administrator is aware of it, they shall make the Administrator aware of it. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, it could lead to disciplinary action including possible termination.

**Electronic Documents; Document Integrity:** Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, the Administrator shall attempt to establish standards for document integrity, including guidelines for handling electronic files, backup procedures, archiving of documents, and regular checkups of the reliability of the system; provided, that such standards shall only

be implemented to the extent that they are reasonably attainable considering the resources and other priorities of the organization.

**Privacy:** It shall be the responsibility of the Administrator, after consultation with counsel, to determine how privacy laws will apply to the organization’s documents from and with respect to employees and other constituencies; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

**Emergency Planning:** Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the organization in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

**Document Creation and Generation:** The Administrator shall discuss with staff the ways in which documents are created or generated. With respect to each employee or organizational function, the Administrator shall attempt to determine whether documents are created which can be easily segregated from others, so that, when it comes time to destroy (or retain) those documents, they can be easily culled from the others for disposition. For example, on an employee-by-employee basis, are e-mails and other documents of a significantly non-sensitive nature so that they might be deleted, even in the face of a litigation hold with respect to other, more sensitive, documents? This dialogue may help in achieving a major purpose of the Policy -- to conserve resources -- by identifying document streams in a way that will allow the Policy to routinely provide for destruction of documents. Ideally, the organization will create and archive documents in a way that can readily identify and destroy documents with similar expirations.

**Document Retention Schedule:**

<u>Document Type</u>	<u>Retention Period</u>
<b>Accounting and Finance</b>	
Accounts Payable	7 years
Accounts Receivable	7 years
Annual Financial Statements and Audit Reports	Permanent
Bank Statements, Reconciliations & Deposit Slips	7 years
Canceled Checks – routine	7 years
Canceled Checks – special, such as loan repayment	Permanent
Credit Card Receipts	3 years
Employee/Business Expense Reports/Documents	7 years
General Ledger	Permanent
Interim Financial Statements	7 years
<b>Contributions/Gifts/Grants</b>	
Contribution Records	Permanent
Documents Evidencing Terms of Gifts	Permanent
Grant Records	7 years after end of grant period
<b>Corporate and Exemption</b>	
Articles of Incorporation and Amendments	Permanent
Bylaws and Amendments	Permanent

Minute Books, including Board & Committee Minutes	Permanent
Annual Reports to Attorney General & Secretary of State	Permanent
Other Corporate Filings	Permanent
IRS Exemption Application (Form 1023 or 1024)	Permanent
IRS Exemption Determination Letter	Permanent
State Exemption Application (if applicable)	Permanent
State Exemption Determination Letter (if applicable)	Permanent
Licenses and Permits	Permanent
Employer Identification (EIN) Designation	Permanent

**Correspondence and Internal Memoranda**

Hard copy correspondence and internal memoranda relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate.

Hard copy correspondence and internal memoranda relating to routine matters with no lasting significance	Two years
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Correspondence and internal memoranda important to the organization or having lasting significance	Permanent, subject to review
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**Electronic Mail (E-mail) to or from the organization**

Electronic mail (e-mails) relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate, but may be retained in hard copy form with the document to which they relate.

E-mails considered important to the organization or of lasting significance should be printed and stored in a central repository .	Permanent, subject to review
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E-mails not included in either of the above categories	12 months
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**Electronically Stored Documents**

Electronically stored documents (e.g., in pdf, text or other electronic format) comprising or relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document which they comprise or to which they relate, but may be retained in hard copy form (unless the electronic aspect is of significance).

Electronically stored documents considered important to the organization or of lasting significance should be printed and stored in a central repository (unless the electronic aspect is of significance).	Permanent, subject to review
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Electronically stored documents not included in either of the above categories	Two years
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**Employment, Personnel and Pension**

Personnel Records	10 years after employment ends
Employee contracts	10 years after termination



Retirement and pension records	Permanent
<b>Insurance</b>	
Property, D&O, Workers' Compensation and General Liability Insurance Policies	Permanent
Insurance Claims Records	Permanent
<b>Legal and Contracts</b>	
Contracts, related correspondence and other supporting documentation	10 years after termination
Legal correspondence	Permanent
<b>Management and Miscellaneous</b>	
Strategic Plans	7 years after expiration
Disaster Recovery Plan	7 years after replacement
Policies and Procedures Manual	Current version with revision history
<b>Property – Real, Personal and Intellectual</b>	
Property deeds and purchase/sale agreements	Permanent
Property Tax	Permanent
Real Property Leases	Permanent
Personal Property Leases	10 years after termination
Trademarks, Copyrights and Patents	Permanent
<b>Tax</b>	
Tax exemption documents & correspondence	Permanent
IRS Rulings	Permanent
Annual information returns – federal & state	Permanent
Tax returns	Permanent

## **WHISTLE BLOWER POLICY**

CHLA is committed to operating in furtherance of its tax-exempt purposes and in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its board members, officers, employees, or volunteers. This policy outlines a procedure for employees to report actions that an employee reasonably believes violates a law, or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to CHLA's business and does not relate to private acts of an individual not connected to the business of CHLA. Now is the time f

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If an employee has a reasonable belief that an employee or CHLA has engaged in any action that violates any applicable law, or regulation, including those concerning accounting and auditing, or constitutes a fraudulent practice, the employee is expected to immediately report such information to President and CEO. If the employee does not feel comfortable reporting the information to the President & CEO he or she is expected to report the information to the Chairman of the Board.

All reports will be followed up promptly, and an investigation conducted. In conducting its investigations, CHLA will strive to keep the identity of the complaining individual as confidential as possible, while conducting an adequate review and investigation.

CHLA will not retaliate against an employee in the terms and conditions of employment because that employee: (a) reports to a supervisor, to the executive director, the Board of Directors or to a federal, state or local agency what the employee believes in good faith to be a violation of the law; or (b) participates in good faith in any resulting investigation or proceeding, or (c) exercises his or her rights under any state or federal law(s) or regulation(s) to pursue a claim or take legal action to protect the employee's rights.

CHLA may take disciplinary action (up to and including termination) against an employee who in management's assessment has engaged in retaliatory conduct in violation of this policy.

Supervisors will be trained on this policy and CHLA's prohibition against retaliation in accordance with this policy.