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## **I. ETHICS AND ACCOUNTABILITY**

### **A. Mission Statement**

[From the Strategic Action Plan 2012-2016]

The mission of the Pittsburgh Downtown Partnership (PDP) is to advance initiatives that foster economic vitality and improve Downtown life – for a moment or for a lifetime.

### **B. Values**

The PDP operates by a set of values that guides decision-making. The PDP is committed to our stakeholders and members. As an organization, we value:

- Inclusiveness – by recognizing and valuing the strengths of a diverse organization and building a community in which all constituencies are highly regarded and represent downtown stakeholders.
- Return on Investment – by creating continued success through the efficient implementation of our programs and careful management of our resources.
- Partnerships – by creating cooperative and dynamic relationships across all sectors.
- Customer Service – by championing, facilitating and delivering services that meet the needs of a growing Downtown Pittsburgh.
- Quality and Integrity – by striving for the highest quality and performance in all programs, services and activities.

### **C. Code of Ethics**

The PDP staff and board members must uphold the highest standards of ethical, professional behavior, and

- Recognize that the chief function of the PDP at all times is to serve the best interests of its stakeholders.
- Act in a manner that will uphold and enhance personal and professional honor, integrity, and dignity.
- Treat with respect and consideration all persons, regardless of race, religion, gender, abilities, age or national origin.
- Respect the structure and responsibilities of the board, provide them with accurate and necessary information as a basis for making policy decisions and uphold and implement policies adopted by the board.
- Demonstrate the highest standards of personal integrity, truthfulness, honesty, and fortitude in all activities.

### **D. Conflict of Interest**

[From the Employee Handbook]

This Conflict of Interest Policy governs the activities of the officers, directors, and staff of the PDP. It is in the best interests of the PDP to be aware of and properly manage all conflicts of interest and appearances of conflicts of interest so as to foster public confidence in the integrity of the organization. It is the duty of all officers, directors, and staff to be aware of this Policy, and to identify conflicts of interest and situations that may result in the appearance of a conflict, and to disclose those situations, conflicts, or potential conflicts. Questions about this Policy should be directed to the President/CEO.

For purposes of this Policy, a conflict of interest arises when an officer, director, or staff member has a **personal interest that conflicts with the interests of the PDP**, which reduces the likelihood that the officer, director, or staff member's influence can be exercised impartially in the best interests of the organization. Examples might include situations in which an officer, director or staff member (or a family member of any of the foregoing) (1) is a party to a contract, or involved in a transaction with the PDP for goods or services; or (2) has a material financial interest in a transaction between the PDP and an entity in which the officer, director or staff member (or a family member) is involved. Other situations may create the appearance of a conflict, or present a duality of interests in connection with a person who has influence over the activities or finances of the organization, such as an officer, director, or staff member's acceptance of gifts or other favors from individuals or entities under circumstances where it might be inferred that such action was intended to influence the officer, director, or staff member in the performance of his or her duties. However, this Policy does not preclude acceptance of items of nominal or insignificant value.

#### **E. Confidentiality**

Board members and employees of the PDP are not to disclose, divulge or make accessible confidential information belonging to, or obtained through their affiliation with the PDP to any person, including relatives, friends, and business and professional associates, other than to persons to whom the PDP has authorized disclosure. Board members and employees shall use confidential information solely for the purpose of performing services as a board member or employee of the PDP. This policy is not intended to prevent disclosure where disclosure is required by law.

Board members and employees must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators and airplanes and the use of current technology and social media (facebook, twitter, etc.) should be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, board members and employees should be sensitive to the risk of inadvertent disclosure and should, for example, refrain from leaving confidential information on desks or otherwise in plain view and refrain from the use of speakerphones to discuss confidential information if the conversation could be heard by unauthorized persons.

## **F. Whistleblower Protection**

[From the Employee Handbook]

This Whistleblower Policy is intended to encourage directors, officers, volunteers, and employees to come forward with credible information on illegal practices or violations of adopted policies of the Pittsburgh Downtown Partnership (the “PDP”), to specify that the PDP will protect the individual from retaliation, and to identify those parties to whom such information can be reported.

The PDP is committed to lawful and ethical behavior in all of its activities and requires directors, officers, volunteers, and employees to act in accordance with all applicable laws, regulations and policies and to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

The policies and procedures set forth herein are established to:

- recognize that the chief function of the PDP at all times is to serve the best interest of our stakeholders.
- prevent or detect and correct improper activities
- encourage each PDP director, officer, volunteer and employee (“Reporting Individuals”) to report what he or she in good faith believes to be a material violation of law or policy or questionable accounting or auditing matter by the PDP
- ensure appropriate receipt, documentation, retention of records and resolution of reports received under this policy
- protect Reporting Individuals from retaliatory action.

Each Reporting Individual has an obligation to report what he or she believes is a material violation of law or policy or any questionable accounting or auditing matter by the PDP, its directors, officers, volunteers, employees, agents or other representatives. Reporters must also notify the PDP if an action needs to be taken in order for the PDP to be in compliance with law or policy or with generally accepted accounting practices. The types of concerns that should be reported include, for purposes of illustration and without being limited to, the following:

- providing false or misleading information on the PDP’s financial documents, grant reports, tax returns or other public documents;
- providing false information to or withholding material information from the PDP’s auditors, accountants, lawyers, directors or other representatives responsible for ensuring PDP’s compliance with fiscal and legal responsibilities;
- embezzlement, private benefit, or misappropriation of funds;
- material violation of PDP policy, including among others, confidentiality, conflict of interest, whistleblower, and document retention and destruction;
- discrimination based on race, gender, sexual orientation, ethnicity, and disability; and
- facilitating or concealing any of the above or similar actions.

Concerns may be reported by a Reporting Individual to the President/CEO. If the Reporting Individual is not comfortable reporting to this individual or if he/she does not believe the issue is being properly addressed, the Reporting Individual may report the matter directly to the Board Chair or to the Audit Committee. Contact information for purposes of reporting concerns under this Whistleblower Policy is set forth below. Whenever practical, reports should be made in writing. Concerns may be submitted anonymously. Because it is impossible to seek additional information from a Reporting Individual about anonymous reports, it is essential that such reports contain as much specific information as possible.

The PDP will investigate all reports filed in accordance with this policy with due care and promptness. Matters reported internally without initial resolution will be investigated by the President/CEO to determine if the allegations are true, whether the issue is material and what actions, if any, are necessary to correct the problem. Upon conclusion of this investigation, the President/CEO shall promptly report the findings to the Audit Committee and to the Executive Committee. The Audit Committee or the Executive Committee may conduct a further investigation upon receiving the report from the President/CEO. For matters reported directly to the Board Chair or to the Audit Committee, the Board Chair or the Audit Committee, as the case may be, shall promptly (generally within ten business days) acknowledge receipt of the complaint to the complainant if the identity of the complainant is known. The Audit Committee shall then conduct an investigation to determine if the allegations are true, whether the issue is material and what actions, if any, are necessary to correct the problem. Upon the conclusion of this investigation, the Audit Committee shall promptly report its findings to the Executive Committee.

The Audit Committee shall have full authority to investigate concerns raised in accordance with this policy and may retain outside legal counsel, accountants, private investigators, or any other resource that the Audit Committee reasonably believes is necessary to conduct a full and complete investigation of the allegations.

This Whistleblower Policy is intended to encourage and enable directors, officers, volunteers, and employees to raise serious concerns within the organization for investigation and appropriate action. With this goal in mind, no director, officer volunteer, or employee who, in good faith, reports a concern shall be threatened, discriminated against or otherwise subject to retaliation or, in the case of an employee, adverse employment consequences as a result of such report. Moreover, a volunteer or employee who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the matter raised is a serious violation of law or policy or a material accounting or auditing matter. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, with

gross negligence, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits.

Reports of concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible. However, consistent with the need to conduct an adequate investigation, the PDP cannot guarantee complete confidentiality. Disclosure of information relating to an investigation under this policy by PDP staff, directors, officers, committee members or others involved with the investigation of concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and, with respect to PDP employees, may result in discipline, up to and including termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits.

The following contact information may be used for reporting concerns under this Whistleblower Policy.

President/CEO:

Jeremy T. Waldrup  
Pittsburgh Downtown Partnership  
925 Liberty Avenue  
Pittsburgh, PA 15222  
Phone: 412-566-4190 x 11  
Cell: 412-439-7132  
Fax: 412-566-4193  
Email: [jwaldrup@downtownpittsburgh.com](mailto:jwaldrup@downtownpittsburgh.com)

Board Chair:

Lucas Piatt  
Millcraft  
95 West Beau Street  
Washington, PA 15301  
Phone: 412-560-2511  
Email: [lpatt@millcraftinv.com](mailto:lpatt@millcraftinv.com)

## **G. Record Retention and Document Destruction**

[From the Employee Handbook]

This Document Retention and Destruction Policy (“Policy”) identifies the record retention responsibilities of staff, volunteers, board members, and outsiders for maintaining and documenting the storage and destruction of the documents and records of the PDP.

The corporate records of the PDP are important assets. Corporate records include essentially all records produced by an organization, whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, a contract, or a case study, or, something not as obvious, such as a computerized desk calendar, an appointment book, or an expense record.

Records should not be kept, however, if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

The law requires the PDP to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject certain individuals and the organization to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the organization in contempt of court, or seriously disadvantage the organization in litigation.

PDP expects all staff, volunteers, board members and outsiders to fully comply with any published records retention or destruction policies and schedules, provided that all such individuals should note the following general exception to any stated destruction schedule:

**If you believe, or the organization informs you, that organization records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until PDP's legal counsel determines that the records are no longer needed.**

This exception supersedes any previously or subsequently established destruction schedule for those records. If you believe that exception may apply, or have any question regarding the possible applicability of that exception, please contact the PDP President/CEO or the Board Chair using the contact information listed on the last page of this Policy.

From time to time the PDP establishes retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention identified above, as well as any other pertinent factors.

(a) Organizational Documents. Organizational records include the organization's articles of incorporation, bylaws, and IRS Form 1023, Application for Recognition of Exemption. Organizational records should be retained



permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

(b) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of deductions, business costs, accounting procedures, and other documents concerning the organization's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(c) Employment Records/Personnel Records. State and federal statutes require the organization to keep certain recruitment, employment, and personnel information. The organization should also keep personnel files that reflect performance reviews and any complaints brought against the organization or individual employees under applicable state and federal statutes. The organization should also keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee's personnel file. Employment applications should be retained for three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for seven years.

(d) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the organization's minute book. A clean copy of all other board and board committee materials should be kept for no less than three years by the organization.

(e) Press Releases/Public Filings. The organization should retain permanent copies of all press releases and publicly filed documents under the theory that the organization should have its own copy to test the accuracy of any document a member of the public can theoretically produce against that organization.

(f) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of 10 years.

(g) Marketing Documents. The organization should keep final copies of marketing documents for the same period of time it keeps other corporate files, generally three years.

An exception to the three-year policy may be contracts, leases, licenses, and other legal documentation. These documents should be kept for at least seven years beyond the life of the agreement.

(h) Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the organization and are protected as a trade secret where the organization:

- (i) Derives independent economic value from the secrecy of the information; and
- (ii) The organization has taken affirmative steps to keep the information confidential. The organization should keep all documents designated as containing trade secret information for at least the life of the trade secret.

(i) Contracts. Final, execution copies of all contracts entered into by the organization should be retained. The organization should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

- (j) Correspondence. Unless correspondence falls under another category listed elsewhere in this Policy, correspondence should generally be saved for two years.
- (k) Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Invoices should be kept for seven years.
- (l) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc., should be kept permanently.
- (m) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.
- (n) Electronic Mail. E-mail that needs to be saved should be either:
  - (i) Printed in hard copy and kept in the appropriate file; or
  - (ii) Downloaded to a computer file and kept electronically or on disk as a separate file.

The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this Policy.

Failure to comply with this Policy may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits. Questions about this Policy should be referred to the PDP President/CEO, who is in charge of administering, enforcing, and updating this Policy.

### **Contact Information**

#### President/CEO:

Jeremy T. Waldrup  
Pittsburgh Downtown Partnership  
925 Liberty Avenue  
Pittsburgh, PA 15222  
Phone: 412-566-4190 x 11  
Cell: 412-439-7132  
Fax: 412-566-4193  
Email: [jwaldrup@downtownpittsburgh.com](mailto:jwaldrup@downtownpittsburgh.com)

#### Board Chair:

Lucas Piatt  
Millcraft  
95 West Beau Street  
Washington, PA 15301  
Phone: 412-560-2511  
Email: [lpatt@millcraftinv.com](mailto:lpatt@millcraftinv.com)

## **II. BOARD AND BOARD MEMBERS**

### **A. Role of the Board**

Members of the Board of Directors are expected:

- To learn how the organization functions – its uniqueness, strengths, needs and its place in the community
- To prepare for, regularly attend and actively participate in board meetings and committee assignments
- To abide by the fiduciary responsibilities of the board as specified by organizational by-laws, state statutes and regulations
- To vote according to one's individual conviction, to challenge the judgment of others when necessary, yet to be willing to support the decision of the board and work with fellow board members in a spirit of cooperation
- To maintain the confidential nature of board deliberations and to recognize that the board chair alone (or his or her designee) speaks for the board
- To consistently follow PDP policies and procedures when conducting board business (e.g., responding to staff and volunteer grievances, responding to inquiries concerning the status of a president search, etc.)
- To read and understand the PDP bylaws and articles of incorporation

See also Article III of the bylaws and article 4.5 of the bylaws for additional information regarding the board of directors.

## **B. Board Chair Job Description**

[From article 5.4 of the bylaws]

The Chairperson shall chair the Board of Directors and the Executive Committee of the organization. The Chairperson shall preside at all meetings of the Executive Committee, the Board of Directors and the members present and shall have such authority and perform such duties as necessary to carry out the objectives of the organization. The Chairperson shall also have such duties as the Board of Directors may from time to time designate.

## **C. Other Board Officer Job Descriptions**

[From article 5.5 of the bylaws]

The Vice-Chairperson shall assist the Chairperson in the performance of the Chairperson's duties. The Chairperson shall assign tasks and obligations to the Vice-Chairperson from time to time as the Chairperson elects. In the absence of the Chairperson, the Vice-Chairperson shall serve as Chairperson. The Vice-Chairperson shall also have such duties as the Board of Directors may from time to time designate.

[From article 5.7 of the bylaws]

The Secretary shall (a) keep or cause to be kept the minutes of all meetings of the members of the Board of Directors, and of any committees of the Board of

Directors in one or more books kept for that purpose, (b) have custody of the corporate records of the Organization, (c) keep or cause to be kept a register of the addresses of all members, (d) see that all notices are duly given in accordance with law, the Articles of Incorporation, and the Bylaws, (e) maintain a list of all members voting by proxy at each meeting of the Organization's members (including the name and person holding such proxy), and (f) in general perform all the usual duties incidental to the office of secretary and such other duties as any be assigned to him or her by the Board of Directors or the Chairperson.

[From article 5.8 of the bylaws]

The Treasurer shall have general supervision of the fiscal affairs of the Organization and shall be the chairperson of the Finance Committee. The Treasurer shall, with the assistance of the President and managerial staff of the Organization: (a) see that a full and accurate accounting of all financial transactions is made; (b) invest and reinvest the capital funds of the Organization in such a manner as may be directed by the Board of Directors, unless such function has been delegated to a nominee or agent; (c) deposit or cause to be deposited in the name and to the credit of the Organization, in such depositories as the Board of Directors shall designate, all monies and other valuable effects of the Organization not otherwise employed; (d) prepare such financial reports as may be requested from time to time by the Board of Directors; (e) cooperate in the conduct of any annual audit of the Organization's financial records by certified public accountants duly appointed by the Board of Directors; and (f) in general perform all the usual duties incidental to the office of Treasurer and such other duties as may be assigned to him or her by the Board of Directors or the Chairperson.

#### **D. Compensation of Board Members**

No compensation of any kind shall be paid to any director for the performance of his or her duties as director. This shall not in any way limit reasonable compensation for payment for services provided to the PDP by the director in any capacity separate from his or her responsibilities as a director, provided that there is full disclosure of the terms of such compensation and the arrangement has been approved by the board. The provisions of this section shall not in any way limit reimbursement of or payment for services provided to the PDP by any organization with which a director is affiliated, so long as the transaction complies with the current Conflict of Interest policy.

#### **E. Board Self-Assessment**

The board is to be committed to assessing its own performance and to identifying its strengths and areas in which it may improve. While the board is to assess its performance on an ongoing basis, it will conduct a formal self-assessment in accordance with policies established by the governance committee.

### **III. PRESIDENT**

#### **A. President Job Description**

[From article 5.6 of the bylaws]

The President shall be the chief executive officer of the Organization and shall report to the Executive Committee and to the Board. The Board of Directors shall have authority over the employment and dismissal of the President; provided, however, that a subgroup of the Executive Committee shall have all authority with regard to the review of compensation and performance of the President, as is set forth in Section 4.2. Subject to the control of the Executive Committee of the Board and the Board of Directors and, within the scope of their respective authority, any committees thereof, the President shall (a) have general and active management of all the business, property and affairs of the Organization, (b) see that all orders and resolutions of the Board of Directors and the committees thereof are carried into effect, (c) appoint and remove subordinate officers and agents, other than those appointed or elected by the Board of Directors, as the business of the Organization may require, (d) have custody of the corporate seal, or entrust the same to the Secretary, (e) act as the duly authorized representative of the board in all matters, except where the Board of Directors has formally designated some other person or group to act, and (f) in general perform all the usual duties incidental to the office of President and such other duties as may be assigned to such person by the Board of Directors or any committee thereof. The President will review Organization staff and report to the Executive Committee on any significant staffing issues.

#### **B. Executive Compensation**

[From the Employee Handbook]

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for the President/CEO and other officers and key employees of the PDP, in addition to complying with the conflict of interest requirements and policies contained in the PDP bylaws or otherwise adopted by the PDP Board of Directors, a compensation subcommittee of the Executive

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Committee shall convene and shall comply with the following requirements and procedures:

(a) The terms of compensation shall be approved by a subcommittee to be appointed by the Executive Committee for the purpose of reviewing the proposed compensation arrangement, the Executive Committee, and the Board of Directors prior to the first payment of compensation.

(b) Any duly authorized member of the board or committee who approves a compensation arrangement must not have a conflict of interest with respect to the compensation arrangement as specified in Treas. Reg. § 53.4958-6(c)(1)(iii), which generally requires that each board member or committee member approving a compensation arrangement between an applicable tax-exempt organization and a “disqualified person” (as defined in section 4958(f)(1) of the Internal Revenue Code of 1986, as amended, and as amplified by Treas. Reg. § 53.4958-3):

1. Is not the person who is the subject of compensation arrangement, or a family member of such person;

2. Is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement;

3. Does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement;

4. Has no material financial interest affected by the compensation arrangement; and

5. Does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.

(c) The board or committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

1. Compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size and purpose and with similar resources.

2. The availability of similar services in the geographic area of this organization.

3. Current compensation surveys compiled by independent firms.

4. Actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

(d) The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the Board or committee. Such documentation shall include:

1. The terms of the compensation arrangement and the date it was approved.

2. If applicable, the members of the board or committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member.

3. The comparability data obtained and relied upon and how the data was obtained.

4. If the board or committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting or records the basis for its determination.

5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.

6. Any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).

7. The minutes of board or committee meetings regarding final approval of the compensation arrangement must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes or records must be reviewed and approved by the board or committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

### **C. Executive Transition**

In the event of a planned departure by the President, the following steps will be taken to ensure that the position is filled efficiently and effectively:

- The board chair will organize a meeting of the Executive Committee
- The committee will establish a search committee
- A successor will be hired

In the event of an unplanned departure, the board chair will designate an individual for the interim position and begin the steps above.

## **IV. FINANCE AND INVESTMENTS**

### **A. Accounting Principles and Basis of Accounting**

The PDP will adhere to Generally Accepted Accounting Principles for all financial reporting, unless specifically stated otherwise. The accrual basis of accounting will be the basis of accounting used in all financial reporting, both internal and external.

### **B. Contracts and Spending Authority**

The authority to commit the organization to a purchase or contract is limited, both by staff position and dollar threshold, in order to limit the organization's liability and manage the overall budget. All VP positions are responsible for their respective annual budgets and should not spend above and beyond that budget without prior approval by the President. All VP positions can sign contracts and/or engage in committing the organization to incur expenses up to \$5,000. All contracts over \$5,000 will require the signature and approval of the President.

### **C. Budgeting**

The budget process is designed to provide:

- A means by which spending limits are set based on expected revenue levels
- A system to allow for procedures to compare actual results to the set spending limits
- A means for setting program priorities and allocating resources to those priorities
- A means for comparison of actual financial results to budgeted amounts and analysis of differences from those budgeted amounts

During the first two weeks of September or as soon thereafter as practicable, the Board of Directors participates in the annual board retreat. The purpose of the retreat is to scan the environment and discuss the upcoming year. The prior year accomplishments are reviewed, along with the endeavors that did not happen/go well. Based on all of that information the priorities are set for the upcoming year.

Upon completion of the board retreat, the President and VP of Finance shall review the financial activity for each of the prior two fiscal years, keeping in mind the direction of the board for the upcoming year. The budget for the upcoming year (including the BID budget) is formulated with that information and any other relevant information deemed appropriate.



After preparation of the budget for the next calendar year, copies of the budget shall be sent to all finance committee members in advance of the October finance committee meeting. At the final finance committee meeting, the committee shall discuss and accept or reject the budget. If the budget is rejected, the committee shall direct the VP of Finance to amend the budget for changes as directed by the committee. Upon acceptance of the budget by the finance committee, it will be presented by the Treasurer to the executive committee for review and approval. The budget will be presented by the treasurer at the final board meeting for review and approval. The President will request an opportunity to present the BID budget to City Council for the upcoming year. City Council, upon acceptance of the BID budget, will pass by way of resolution the continued designation of the Business Improvement District.

Once the budget has been set for the fiscal year, the budget shall be included in the accounting system of the PDP. As monthly financial statements are prepared, a comparison of actual monthly results of operations to budget figures shall also be prepared. The financial statements and budget variances (with detailed explanations) shall be reviewed by the finance and executive committees on a quarterly basis. When deemed necessary, the board shall revise the budget to fund additional services or make allowances for other unbudgeted revenues or expenses.

#### **D. Capital Expenditures**

The PDP has adopted a dollar threshold for capitalizing fixed asset purchases. Any individual item that is less than \$5,000 should be expensed. Any individual item that exceeds that threshold will be capitalized and depreciated over a determined useful life. This threshold was established and applied beginning with all purchases after December 31, 2007. The adoption of this policy also includes the understanding that all computer equipment will be “tracked” in order to maintain an inventory of those assets, even if the purchase price falls below the capitalization threshold.

#### **E. Financial Controls**

##### Check signing authority:

- For amounts less than or equal to \$1,000, the President will be the only necessary signature.
- For amounts greater than \$1,000, the President together with any board member listed below. In the absence of the President, any two board members listed below.
- Any expense reimbursed to a PDP staff member will follow the above guidelines based on the dollar amount to be reimbursed.
- The President of the PDP may not sign any expense reimbursed to him/her. Two signatures are required from two board members listed below.

Board Members

Chairperson

Vice-Chairperson

Secretary

Treasurer

Immediate Past Chairperson

Online transfer approval:

In order to mirror the above check signing authority policy, if online transfers from one bank account to another are necessary and the amount is greater than \$1,000 the following requirements must be fulfilled:

- The VP of Finance should obtain approval from the President and any one of the above listed board members.
- In the absence of the President, any two board members listed above can approve the transfer.
- Documentation of approvals must be maintained in conjunction with the transfer documentation in the bank account files.
- Upon receipt of the unopened bank statement, the President will cross reference approved transfers with the bank statement information.

Purchasing authority:

- For amounts less than or equal to \$5,000, approval for payment on invoices is required by a VP within the organization *or* the President.
- For amounts greater than \$5,000, approval for payment on invoices is required by the President.
- Due to the fact that the President and the VP of Finance are the only employees that possess the organization credit card, the request by staff for the credit card will ensure that a senior member of the staff is aware of all credit card use.

Administrative fee policy:

The majority of the grants that the PDP receives allow for a percentage of the funds to be used for administrative costs. The transfer of those funds to the administrative class for use must take place proportionally, as the grant is being spent for the intended purpose. This allows for consistent treatment of the monies and prevents using the admin fee in advance of the remaining funds.

Contingent grant policy:

Guidance provided under Generally Accepted Accounting Principles makes the distinction between donor-imposed restrictions and stipulations that impose a condition on which a contribution depends. A donor-imposed

restriction limits the use of donated assets; however, a condition creates a barrier that must be overcome before assets transferred or promised become contributions received or made. By imposing a condition, the transferor of assets not only retains a right of return of the transferred assets, but also casts doubt on whether the intent of the transfer was to make a gift, to conditionally promise a gift, or, at the extreme, not to make a gift. This Statement provides that when a restriction and a condition exist, the transfer be accounted for as a refundable advance until the condition on which it depends is substantially met.

Based on the above guidance, the PDP, upon receipt of funds related to a contingent grant, shall record a refundable advance as a liability. At the time that the donor-imposed condition is met, the liability shall be removed and revenue shall be recognized.

Internal reporting policy:

The PDP's internal reporting policy allows for the portions of restricted grants that will be spent in future years to appear as an offset amount on the statement of activities. This allows reviewers/readers of the internal financial statements to focus on current year activity on the statement of activities. This is for internal reporting purposes only and should never be reviewed by anyone outside of the board of directors. In addition, all internal reports generated under this policy must be clearly marked that they are for internal reporting purposes only and that they do not follow Generally Accepted Accounting Principles (GAAP). It should also be understood that the audited financial statements prepared by the outside accountants will follow GAAP and therefore, will not fall under this policy.

Accounts Receivable Write-Off Procedures and Authority:

It is the policy of the organization to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated.

An aged accounts receivable report is prepared and distributed to all managers, Vice Presidents and the President/CEO at least quarterly. Upon review of that list, if a receivable is deemed uncollectible the President/CEO is informed (if he was not the decision-maker). The VP of Finance is also informed and the write-off is recorded.

If write-off procedures have been initiated, the following accounting treatment applies:

- Invoices written off that are dated during the current year will be treated as a reduction of the appropriate revenue account.
- Invoices written off that are dated prior to the current year will be treated as bad debt.

### Mailing Checks and Write-off of Old Checks

Payment of vendor invoices will take place within 30 days of the receipt of the invoice. Once checks are prepared and signed they should be mailed within 48 hours. At no time should a check be “held” for any reason, once it is prepared

It is the policy of the organization to make every attempt possible to contact payees of outstanding checks that have failed to clear the bank. Checks that have been outstanding in excess of 12 months will be handled in accordance with Pennsylvania escheat law.

### Deferred Revenue

It is the policy of the organization that revenues that have not been earned will be included with deferred revenues on the financial statements and recorded as revenue when earned.

### Grants and Contracts

It is the policy of the organization to comply with all regulations and laws with regard to grants and contracts. Specifically, the organization will retain outside CPAs with appropriate “yellow book” certifications, and following accounting, cost allocations, and audit guidance contained in, but not limited to, the following:

- Office of Management and Budget Circular A-121
- Office of Management and Budget Circular A-122
- Office of Management and Budget Circular A-133

### Monthly Closing Process and Financial Reporting

It is the policy of the organization that the proper procedures be followed for accounting records to be “closed” at the end of each month. Those procedures should take place in a timely matter, but no more than 7 business days following the last day of the month being closed. Quarterly, financial statements will be prepared and distributed to the President/CEO and all Vice Presidents for review. Any corrections or changes that are necessary should be reported within 7 business days to the VP of Finance.

### Capital Investments

It is the policy of the organization to transfer cash from the unrestricted account to the Capital Asset account at the end of each year equivalent to the depreciation expense (excluding depreciation on funded assets) for that year. Those funds will accumulate in the Capital Asset bank account and be used for future purchases of Capital Assets, as the President/CEO and Finance Committee deem necessary.

**F. Financial Audits**

The financial records of the PDP shall be audited annually by an independent CPA firm that has a significant group of nonprofit clients. The audit committee shall be responsible for selecting the audit firm to conduct the annual audit. If the same audit firm conducts the audit for more than three consecutive years, the audit committee shall review the firm's services and decide if the firm or the audit partner needs to rotate.

The audit firm will not be hired to perform non-auditing services, except for the tax preparation and Form 990 preparation and shall not perform substantial services for any officer or director personally. The audit firm shall be engaged to present annual audit findings to the president, audit and finance committees and if needed, to the board. The audit and finance committees shall review the audit and make their recommendations to the board.

**G. IRS Form 990 and Pennsylvania BCO Report**

The VP of Finance shall ensure that tax payments and other government-ordered payments or filings are filed in a timely and accurate manner.

The President shall sign and certify that the IRS Form 990 and Pennsylvania BCO Report are accurate and complete.

The audit and finance committees shall review and approve the IRS Form 990 annual tax filing and present the form to the executive committee for review. The full board shall receive a copy of the Form 990 in advance of filing for review and consideration.

**H. Risk Management**Insurance

The PDP will purchase necessary policies to insure the organization against risk. Types of insurance to be purchased should include:

- Insurance against employee theft and dishonesty
- Indemnification
- General liability (personal and property damage and punitive damage)
- Commercial (for physical assets)
- Nonprofit Officers' and Directors' Liability
- Workers' Compensation
- ERISA Fiduciary Liability

Emergency Response and Recovery

It is the policy of the PDP to protect its employees and to prevent the interruption of vital operations. The PDP is committed to employing all appropriate strategies for anticipating and controlling crisis situations.

Management is responsible for development of the implementation of an emergency response and recovery plan. This plan will establish contingencies

and anticipate threats that could harm PDP personnel, property and reputation. The PDP's board is responsible for review and approval of this plan.

All employees are expected to comply with this plan and to minimize risk to themselves and to PDP property and reputation.

Copies of this document and other documents referenced in this plan will be stored off-site and be readily available for reference in the event of an emergency situation that restricts or prohibits access to the normal workplace.

## **V. FUNDRAISING**

### **A. Gift Acceptance**

The acceptance of noncash gifts other than publicly traded securities valued in excess of \$1,000 must be approved by the Executive Committee. In this regard, the Executive Committee will consider such questions as:

- Will the gift challenge the organization's ability to further its mission, goals, or objectives?
- Will the acceptance of the gift place the organization in an unfavorable light?
- Does it appear that there may exist a conflict of interest between the donor and the organization?

Individuals cannot accept gifts in excess of \$50 unless authorized by the President.

### **B. Sponsorship and Endorsement**

Sponsorships are to require a formal written agreement or confirmation setting out the terms of the sponsorship, including any recognition to be provided to the sponsor, and must be signed by an authorized member of the sponsor and by the PDP's President or designee.

Sponsorships are usually considered to be business expenses and not charitable contributions. They are typically funded from corporate marketing budgets. Sponsorships must comply with the PDP's policy on conflict of interest. The PDP reserves the right to refuse or decline any offer of sponsorship at its absolute discretion or to negotiate with the sponsor concerning any aspect of a proposed sponsorship. Tax receipts are to be issued to sponsors in accordance with IRS regulations.

A sponsorship is not to imply endorsement of a product or service by the PDP. The PDP's President, in concert with the marketing department, is responsible for determining whether a sponsorship should be solicited and/or accepted based on an assessment of the best interests of the organization. The PDP's President may refuse any sponsorship deemed at variance with the organization's mission, goals, policies, and best interests.

Sponsorship agreements should include language that requires payment in full in advance of the project/event. In the event that a sponsorship is not paid in full at the time of printing of collateral pieces, the terms of the sponsorship will be null and void and the sponsor's name/logo, etc. will not be used or permitted as part of the project/event.

## **VI. PERSONNEL**

### **A. Responsibility for Human Resources**

The President is responsible for ensuring that working conditions meet all local, state and federal legal requirements and are humane and safe, and that employees are treated in an equitable, professional manner. The President should:

- Ensure that employment decisions are made on a non-discriminatory basis and are based on the individual's qualifications and ability to perform the job.
- Pay compensation reasonably required to attract and retain employees with the skills and experience necessary to accomplish the PDP's mission.
- Develop and maintain appropriate personnel policies in a handbook that is reviewed with all new staff members at the time of hire and acknowledged by the employee with signature.

### **B. Equal Opportunity Employment**

[From the Employee Handbook]

The PDP is an equal opportunity employer. As such, all employees and potential employees will be recruited, selected, trained, promoted and, if necessary, disciplined or terminated without regard to sex, race, religion, marital status, age, national origin, color, familial status, creed, sexual orientation, ancestry, or the presence of any medical condition, disability, sensory, physical or mental handicap, or any other basis prohibited by law.

### **C. Nepotism**

PDP employees may not hire, supervise, or exercise management authority directly or indirectly, over staff with whom they have a familial or personal relationship. Similarly, the staff of the PDP may not influence the award of contracts to vendors with whom they have a familial or personal relationship, in accordance with the PDP Conflict of Interest policy. All questions concerning the hiring of any individual who may be related to another PDP employee should be referred to the President.

**D. Sexual Harassment**

[From the Employee Handbook]

It is the policy of this organization that all employees shall have the right to work in an environment free from any form of unlawful discrimination. Sexual harassment constitutes discrimination and is prohibited by state and federal laws. Therefore, it is the position of this organization that sexual harassment will not be tolerated. It is a violation of organization policy for any supervisor or employee, male or female to engage in sexual harassment as defined in the Employee Handbook. Such conduct will result in disciplinary action up to and including dismissal.

**E. Workplace Environment**

[From the Employee Handbook]

Smoking is prohibited in all PDP offices, halls, meeting rooms, and other facilities within the building.

The PDP is committed to protecting the safety, health and well-being of all employees and other individuals in the workplace. We have established a drug-free workplace program that balances our respect for individuals with the need to maintain an alcohol and drug-free environment.

Our drug-free workplace policy is intended to apply whenever anyone is representing or conducting business for the organization. Therefore, this policy applies during all working hours, whenever conducting business or representing the organization, while on organization property and at organization-sponsored events. Occasionally, incidental consumption of alcohol may be appropriate in certain limited circumstances in the course of carrying out one's assigned duties as a representative of the PDP.

It is a violation of our drug-free workplace policy to use, possess, sell, trade, and/or offer for sale alcohol, illegal drugs or intoxicants. The illegal or unauthorized use of prescription drugs is prohibited. It is a violation of our drug-free workplace policy to intentionally misuse and/or abuse prescription medications. Appropriate disciplinary action will be taken if job performance deterioration and/or other accidents occur.

Prescription and over-the-counter drugs are not prohibited when taken in standard dosage and/or according to a physician's prescription. All employees are required to not report to work or be subject to duty while their ability to perform job duties is impaired due to on- or off-duty use of alcohol or other drugs.

If an employee violates the policy, he or she will be subject to progressive disciplinary action and may be required to enter rehabilitation. An employee required to enter rehabilitation that fails to successfully complete it and/or repeatedly violates the policy may be terminated from employment. Nothing in



this policy prohibits the employee from being disciplined or discharged for other violations and/or performance problems.

The confidential nature of all information received by the organization through the drug-free workplace program shall be preserved. Access to this information is limited to those who have a legitimate need to know in compliance with relevant laws and management policies.

#### **F. Complaints**

[From the Employee Handbook]

In any organization, problems or differences of opinion over work matters may occasionally arise between you and your supervisor, fellow employees, or the organization in general. We encourage you to bring any such concerns that you might have to the person you have the conflict with initially. If you are unable to resolve the problem to your satisfaction, you should discuss it with your supervisor. If your supervisor is unable to resolve the problem, you may contact the President for further review of the matter. There will be no retaliation against you for bringing up any issues you might have. Our goal is to maintain a comfortable working environment for everyone by maintaining open communication with all employees.

#### **G. Performance Review**

[From the Employee Handbook]

Performance reviews are to be based on the Organization business plan and the specific goals adopted and agreed upon annually by the employee and the President. Quarterly reviews are performed to discuss progress on those goals. Annual reviews are held in, or about, July of each year. At the time of each employee's annual review, the supervisor will ask for the employee's self-assessment, and will point out areas in which progress and improvement have occurred. Areas requiring further improvement or effort will be reviewed. These discussions are aimed toward the goal of improved communication and performance. Each employee's ability to work cooperatively with other members of the organization will also be considered during the annual review.

The written documentation of the performance evaluation, review sessions, goals, and objectives for the coming year will become a permanent part of the employee's personnel file. It will provide a continuous record of their employment history and progress with the PDP. Each employee will receive a copy for their own records.

### **VII. COMMUNICATIONS**

#### **A. Media Relations**

**Contact initiated by the media:**

The PDP strives to advance its mission by communicating openly and honestly using consistent messages with its constituents, including the media. The PDP staff and board members are to refer all calls from media sources to the appropriate staff. The appropriate staff person will vary depending upon the situation and/or topic. The VP of Marketing should decide the order of contact, however, it may include and will always be limited to: the President, Board Chair or someone specifically selected by the VP of Marketing.

**Procedure:**

- Refer all calls or visits to the VP of Marketing; if that individual is not available, refer to the President.
- If senior staff is not available, take the following steps:
  - Determine the reporter's name, phone number and deadline
  - Determine the nature of the story OR if you are sure that the VP of Marketing will be available to hear a voicemail message, offer to let the reporter leave a detailed voicemail message
  - Let the reporter know that the VP of Marketing or another staff member will return the call by a stated time and date
  - Contact the VP of Marketing if the deadline is imminent
- Do NOT offer information to the media --- even if you know the answer. All news contacts are to be handled by senior staff and documented. It is too easy to be quoted as an organization spokesperson if you volunteer something the reporter wants to use. Assure the reporter that someone will respond in time to meet the deadline.
- If you cannot reach the VP of Marketing to respond in time for the deadline, call the reporter back, explain the situation and apologize, but still decline to answer the question yourself. *In no case* should you let the deadline come and go without any response. It is not advisable to say "no comment", since that constitutes a form of an answer that may be used against the organization in some instances.

**Key points to remember when dealing with the media:**

- Be polite
- Be helpful
- Find out what the reporter needs to know and what his or her deadline is
- Do not let a deadline pass without a response
- Do not get drawn into providing information or opinions that you don't have the authority to provide

**Contact initiated by the PDP:**

All communications initiated by the PDP should be coordinated through the VP of Marketing. No staff person, under any circumstances should contact the media and/or make any public comments for or on behalf of the organization. All press releases and joint public relations ventures with partners should be reviewed and approved by the VP of Marketing prior to being made public.

**Related to Executive Committee and Board meetings:**

Executive committee and Board of Directors meetings are considered private and not open to the general public. Guests, including media, are permitted to attend by invitation only.

**B. Crisis Communications**

In case of any emergency event, situation, or investigation regarding an inquiry by the media, including radio, tv, or newspaper, into issues relating to the PDP, the following guidelines shall be followed to assist the PDP's response to the media.

The VP of Marketing will prepare staff for preventative awareness by:

- Establishing positive media relations throughout the year with local radio/television/newspaper reporters
- Establishing the PDP as a resource for information
- Helping the media when doing research on local stories
- Providing training to the PDP on media crises and the emergency media plan and inform staff not to comment on inquiries, but to refer inquiries to those designated individuals who may release information to the media.

**C. Electronic and Social Media**

Within the social media environment (i.e. Facebook, twitter, etc.) staff must consider any communications to be public comments made by and on behalf of the organization. Therefore, no personal opinions or comments that could adversely affect the business of the PDP should be included as part of these media. Communications using these media should remain neutral regarding political activities and any human resource topics. The VP of Marketing and other staff, as identified by the VP of Marketing, will be permitted to post to social media pages as well. The VP of Marketing periodically reviews incoming information and removes inappropriate comments, as necessary.

The Marketing and Communications Coordinator will be the webmaster for the organization website and will be responsible for determining the ideal location for all items/links on the website. Other staff will have access to and be permitted to make website updates as necessary, as determined by the VP of Marketing. For instance, the VP of Transportation will have access to make construction updates, marketing interns will have access as directed.

Please also see the Computer Use Policy in the Employee Handbook.

**D. Cellular Phone Equipment**

The Pittsburgh Downtown Partnership (“PDP”) recognizes that the performance of certain job responsibilities may be enhanced or may require the use of a cellular phone, smartphone, tablet or other mobile computing device, hereafter referred to collectively as mobile devices. Beginning November 2014, the PDP will begin issuing a Stipend for those employees who hold positions where the duties of that position require the use of a cell phone or mobile device. This Stipend is meant to off-set the overall costs of the mobile device ownership, not cover those costs in full. The benefits of such an approach include: 1) a call log is not required; 2) monthly reporting is not required; 3) a single phone may be used for both personal and business purposes. The Stipend is not considered taxable income to the employee.

**E. Lobbying and Political Activity**

The PDP is a tax-exempt organization as described in Internal Revenue Code (IRC) § 501(c)(3). IRC § 501(c)(3) allows the PDP to engage in limited lobbying activities without jeopardizing its tax-exempt status. From time to time, the PDP’s interests may require communication of its views on public issues and policies that affect the PDP or its activities. In such circumstances, information regarding the PDP’s lobbying activities will be reported to appropriate federal and state legislative agencies as well as disclosed on its Form 990, the annual information return that the PDP files with the IRS.

The PDP encourages individual participation in civic affairs. However, as a charitable organization the PDP may not make contributions to any candidate for public office or political committee and may not intervene in any political campaign on behalf of or in opposition to any candidate for public office. If the PDP engages in prohibited political activities, it may lose its status as a tax-exempt organization as described in (IRC) § 501(c)(3).

Therefore the staff and board of the PDP:

- Will not make any contributions to any candidate for public office or political committees on behalf of the PDP.
- Will not make any contributions to any candidates for public office or political committee in a manner that may create the appearance that the contribution is on behalf of the PDP.
- Will not use any PDP financial resources, facilities, or personnel to endorse or oppose candidates for public office.
- All individuals are to clearly communicate that they are not acting on behalf of the organization, if identified as an official of the PDP, while engaging in political activities in an individual capacity.
- Will not engage in political activities in a manner that may create the appearance that such activities are by or on behalf of the PDP.
- All individuals are to remain neutral in all communications related to political activities, when identified as an official of the PDP.

## **VIII. COMMITTEES**

### **A. Executive Committee**

[From the Employee Handbook]

The Board consists of up to 40 members; and the Board members are elected for three-year terms. The policy-making responsibilities of the PDP are vested in the Executive Committee. All committee recommendations must be approved by the full Board of the PDP.

The Board of Directors elects the officers and Executive Committee. There are four officers composed of the Chair, Vice Chair, Treasurer, and the Secretary. The Executive Committee may act on behalf of the Board of Directors when the Board is not in session. The Board must ratify such actions.

The President is the full-time, paid, Chief Executive Officer of the PDP. This person is responsible for the operations of the PDP and is the principal liaison between the paid staff and the Board of Directors.

### **B. Financial Committees (Finance and Audit)**

The treasurer of the organization serves as the chair of the Finance Committee. The committee shall be responsible for the planning, monitoring and evaluation of the PDP's funding, financial management, facilities, assets, risks and insurance programs. The committee shall work with the President and the VP of Finance in developing long-range financial and capital plans, reviewing annual budgets and financial reports and recommending internal controls and other financial policies to the board. The committee shall perform such other duties as may from time to time be required by the board.

The audit committee ensures that the audit is put out for bid every three years, approves the audit and serves as the liaison with the audit firm, instructing the firm on issues to monitor and debriefing the finance committee and board on its reports. The committee is to meet at least annually with the auditor. The committee reviews and recommends approval of the annual audit and reviews a copy of the annual IRS Form 990.