

Fayetteville State University National Alumni  
Association



Policy Manual

March 20, 2010

## **Document Destruction and Whistle-Blower/Code of Conduct Policy**

### **Document Destruction Policy**

Fayetteville State University National Alumni Association, Inc. acknowledges its responsibility to preserve information relating to litigation, audits and investigations. The Sarbanes-Oxley Act of July 30, 2002, makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of members to follow this policy can result in possible civil and criminal sanctions against the Fayetteville State University National Alumni Association and possible disciplinary action against responsible individuals. Each member has an obligation to contact the President, Member of the Board of Directors, and Executive Committee of a potential or actual litigation, external audit, investigation or similar proceeding involving the Fayetteville State University National Alumni Association, Inc. that may have an impact as well on the approved records retention schedule.

### **Records Retention**

As a tax-exempt, non-profit organization, record keeping and record retention are very important. The requirements for a profit corporation and a non-profit corporation are identical; there are two specific considerations for the non-profit organization to have an established records retention policy:

1. In order to retain Federal Tax exemption, a non-profit organization must be able to establish that it is organized and operated as to the specified purpose that gave rise to the Internal Revenue grant of a tax exemption. Fayetteville State University National Alumni Association, Inc. is classified as an educational or charitable trust.
2. Under the federal Sarbanes-Oxley Act (2002), the destruction of documents in the face of a governmental inquiry is a criminal offense and applies to both profit and non-profit companies. Although there have been various state and federal requirements regarding the maintenance of records before Sarbanes-Oxley, it is now the utmost importance to maintain a policy of records retention and be aware of this law in the decision-making process for destruction of documents.
3. The terms "records" and "records retention" include hard paper copy, computer disks, microfilm, scanned or digitized copies, magnetic and visual media, and such other electronic communication.

The table marked as Attachment A provides a rational order of retention and disposal time-tables suggested by the possibility of disputes within the organization, litigation, and potential for audits by federal or state authorities.

## **Whistle-Blower/Code of Conduct Policy**

In keeping with the policy of maintaining the highest standards of conduct and ethics, the Fayetteville State University National Alumni Association Inc., will investigate any suspected fraudulent or dishonest use or misuse of its resources or property by officers, board members, consultants or volunteers. Fayetteville State University National Alumni Association Inc. is committed to maintaining the highest standards of conduct and ethical behavior and promotes a working environment that values respect, fairness and integrity. All officers, board members and volunteers shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible dismissal from one's board or volunteer duties and possible civil or criminal prosecution if warranted.

Board members, consultants and volunteers are encouraged to report suspected fraudulent or dishonest conduct (i.e. to act as "whistle-blower"), pursuant to the procedures set forth below.

### **Reporting**

A person's concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to the President, Board of Director, or Executive Committee member, if suspected by a volunteer. If for any reason a person finds it difficult to report his or her concerns to the President, Board of Directors, or Executive Committee member supporting the volunteer's work, the person may report the concerns directly to the Vice Chancellor of Institutional Advancement. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to one of the individuals listed above.

### **Definitions**

**Baseless Allegations:** Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by Fayetteville State University National Alumni Inc., and/or legal claims by individuals accused of such conduct.

**Fraudulent or Dishonest Conduct:** A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents;
- unauthorized alteration or manipulation of computer files;
- fraudulent financial reporting;
- pursuit of a benefit or advantage in violation of Fayetteville State University National Alumni Association Inc.'s *Conflict of Interest Policy*;

- misappropriation or misuse of Fayetteville State University National Alumni Association Inc.'s, resources, such as funds, supplies, or other assets;
- authorizing or receiving compensation for goods not received or services not performed.

**Whistle-Blower:** An officer, consultant or volunteer who informs the president, Executive Board Members, or the Vice Chancellor of Institutional Advancement about an activity relating to Fayetteville State University National Alumni Association Inc., which that person believes to be fraudulent or dishonest.

## **Rights and Responsibilities**

### **Officers – Executive Committee**

Officers are required to report suspected fraudulent or dishonest conduct to the Vice Chancellor of Institutional Advancement.

Reasonable care should be taken in dealing with suspected misconduct to avoid:

- baseless allegations;
- premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation; and
- violations of a person's rights under law

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Board of Directors, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform any investigative or other follow up steps on their own. Accordingly, a Board of Director who becomes aware of suspected misconduct:

- should not contact the person suspected to further investigate the matter or demand restitution.
- should not discuss the case with attorneys, the media or anyone other than the Vice Chancellor of Institutional Advancement.
- should not report the case to an authorized law enforcement officer without first discussing the case with the Vice Chancellor of Institutional Advancement.

## Investigation

All relevant matters, including suspected but unproved matters, will be reviewed and analyzed, with documentation of the receipt, retention, investigation and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and findings will be communicated back to the reporting person and his or her supervisor. Investigations may warrant investigation by an independent person such as auditors and/or attorneys.

## Whistle-Blower Protection

Fayetteville State University National Alumni Association Inc. will protect whistle-blowers as defined below.

- The Fayetteville State University National Alumni Association Inc. will use its best efforts to protect whistle-blowers against retaliation. Whistle-blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally this means that whistle-blower complaints will only be shared with those who have a need to know so that the Fayetteville State University National Alumni Association Inc. can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of a whistle-blower complaint, such persons may also have the right to know the identity of the whistle-blower).
- Officers, consultants, and volunteers of the Fayetteville State University National Alumni Association Inc. may not retaliate against a whistle-blower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistle-blower's involvement, including but not limited to, threats of physical harm and loss of position, Whistle-blowers who believe that they have been retaliated against may file a written complaint with the Vice Chancellor of Institutional Advancement. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit Board of Directors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.
- Whistle-blowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).

## **Conflict of Interest**

The best interest of the Fayetteville State University National Alumni Association is to properly manage and beware of all conflicts of interest and appearance of conflict of interest. This conflict of interest policy is designed to help Officers, Chapter Presidents and Committee Chairpersons and or Co/Chairpersons of the Fayetteville State National Alumni Association with procedures to manage appropriately conflicts in accordance with the legal statutes and requirements and the By-Laws, goals of accountability and transparency in business operations of the association.

1. **Definition of Conflict of Interest.** Within this policy, a person with a conflict of interest is referred to as an “interested person.” The following circumstances are deemed as a conflict of interest:

- a. An Executive Officer, Chapter President, and Chapter Representative to include family members of any of the foregoing is a party to a contract or involved in a transaction with the FSU NAA, Inc. for goods or services.
- b. An Executive Officer, Chapter President, and Chapter Representative to include family members of any of the foregoing has a material financial interest in a transaction between FSU NAA, Inc. and an entity in which the Executive Officers, Chapter Presidents of a family member of the foregoing is a board member, officer, agent partner, associate, employee, trustee, personal representative, receiver, guardian custodian, or other legal representative.
- c. An Executive Officer, Chapter President, and Chapter Representative to include family member of the foregoing is engaged in some capacity or has a material financial interest in a business or enterprise that competes with the Fayetteville State University National Alumni Association, Inc.

ATTACHMENT A  
RECORDS RETENTION POLICY

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INSTITUTIONAL AND LEGAL RECORDS

|  |           |
|--|-----------|
| Articles of Incorporation              | Permanent |
| Charter                                | Permanent |
| By-Laws                                | Permanent |
| Minutes of Board of Directors Meetings | Permanent |
| Minutes of Executive Board Meetings    | Permanent |
| Meetings                               | Permanent |

FEDERAL TAX RECORDS

|  |           |
|--|-----------|
| Form 990 and support                             | Permanent |
| Form 990-T and Support                           | Permanent |
| IRS Exemption Application & Determination Letter | Permanent |
| State Tax Exemptions                             | Permanent |

ACCOUNTING & FINANCIAL RECORDS

|  |          |
|--|----------|
| Accounts Receivable and Subsidiary ledgers | 10 years |
| Uncollected Accounts                       | 10 years |
| Accounts Payable and Subsidiary ledgers    | 10 Years |
| 1099 and other federal forms               | 10 years |

|                             |           |
|-----------------------------|-----------|
| Check Registers             | 10 Years  |
| Financial Secretary Reports | 10 years  |
| Treasurer's Reports         | Permanent |
| Annual Audit Reports        | Permanent |

#### LITIGATION RECORDS

|                           |                        |
|---------------------------|------------------------|
| Claims                    | While active + 9 years |
| Court documents & Records | While active + 9 years |
| Discovery Materials       | While active + 9 years |
| Settlement Documents      | Permanent              |

#### INDURANCE RECORDS

|         |                        |
|---------|------------------------|
| Bonding | While active + 9 years |
|---------|------------------------|

#### BANK RECORDS

|                                 |         |
|---------------------------------|---------|
| Bank Statements                 | 7 years |
| Wire Transfer records           | 7 years |
| Bank Reconciliation's & Support | 7 Years |
| Canceled Checks                 | 7 years |

#### Elections

|         |         |
|---------|---------|
| Ballots | 7 years |
|---------|---------|

**ALL OTHER COMMUNICATIONS AND RECORDS NOT IDENTIFIED IN THIS LISTING SHOULD BE RETAINED AS A MINIMUM WHILE ACTIVE + 6 YEARS**

## Committee Members 2010

Dorine Adams, Chairperson

Vedas Neal, Ex-Officio

Charles Worthy

Allene Ritchey

Nancy Harris

Alice Gross

Thomas Bond

Sabrina Richardson

Dr. James Baldwin

Rebecca Oates