

Sertoma, Inc.
Procedure Statements
(revised January 2015)

Authority and Purpose

Authority

These Procedure Statements have been issued by the Board of Directors of Sertoma, pursuant to the authority granted by the Bylaws of Sertoma.

Purpose

These Procedure Statements serve to establish the standards and define the framework within which the Directors, the Executive Director, staff and volunteers will conduct the business of Sertoma.

These policies enable Sertoma to protect its exempt status and assure fair and equal treatment of all donors.

These policies guide the promotion, acceptance, receipt, management, use and disposition of funds to ensure accountability to our constituents and all regulatory agencies.

These policies and all programs and administrative procedures developed within the framework of these policies will comply with the guidelines and standards set forth by the Better Business Bureau Wise Giving Alliance.

Accountability

Accountability for oversight and implementation of these policies is the responsibility of the Executive Director and Sertoma staff. Issues not readily resolved by staff will first be referred to the Executive Committee of the Board of Directors for recommended solution. If issues cannot be resolved at this point, or if a new or amended policy or guideline is warranted, such will be referred to the full Board of Directors.

Amendments to the Procedure Statements

The Procedure Statements may be amended at any regularly held meeting of the Board of Directors of Sertoma by a majority vote of the members of the Board of Directors.

Revisions to the Procedure Statements of Sertoma become effective at the beginning of the next fiscal year after revisions are approved by the Board of Directors, unless the Board, in its action, specifies another date.

Section 1 Membership

Code of Ethics

All Sertoma members, staff, professional service providers and those we associate ourselves with, are asked to commit to the highest standards of ethical conduct which reflect our Purpose, Vision and Mission.

- To embrace our mission while supporting all those who lead us from the front and stand beside us in ranks with respect, loyalty and responsibility to each other and those we serve.
- To be forthright, fair, honest and open with all people equitably regardless of race, gender, religion, national origin, economic status, or sexual orientation.
- To conduct ourselves with integrity in all business dealings, to be compliant of rules, laws, regulations, and to be good stewards of our financial resources.

Supplies USA and Canada

Newly chartered clubs will receive, at no additional cost, the following items:

- Banner, gavel, charter, table flag set
- Charter member lapel pins, cards, certificates, badges, decals.
- President's pin, Secretary's pin.

Club, Member Records and Changes

Honorary Club Members. Sertoma shall not maintain any record of honorary members of a Sertoma Club.

Deleted Club Members. Sertoma shall not maintain any records of deleted members, except inactive Life Members. Recommend that for all living deleted members, a Friends invitation be extended.

New Club Members. Sertoma shall record all new members as they are reported by club secretaries. Processing fees shall be collected as appropriate.

Club Mergers

Should two or more Sertoma clubs wish to merge, members of 1 or more clubs will transfer membership to the surviving club – if upon completion of the merger, the club may petition to change the name on the Club with Sertoma Headquarters.

Section 2 – Dues and Fees

Sertoma Membership Dues

Clubs – USA and Canada.

- All changes in club membership must be received at Sertoma Headquarters by noon the last business day of the quarter.
- On the first business day of the quarter, a dues invoice will be mailed from Sertoma Headquarters to each club Secretary showing the membership in the club and the total amount due for the upcoming quarter.

- The dues invoice is payable upon receipt to Sertoma Headquarters. No retroactive adjustments will be made to the dues invoice for membership changes received after noon the last business day of the quarter. All changes received after that date will be reflected on the next dues invoice.

Section 3 Governance

Board Meetings

Meetings. One of the two Board Meetings regularly scheduled for each year shall be held in Kansas City, Missouri; the other meeting to be held at a location as designated by the Board of Directors. Other meetings will be held in such locations or by such means as designated by the Board of Directors.

Meeting Attire. All members of the Sertoma Board of Directors are requested to wear appropriate business attire with official blazers to and from the Board members' hotel rooms and the meeting room at Conventions and when officially representing the Board on club or division visits. Business casual and/or Sertoma attire will be appropriate for other meetings.

Agenda. An agenda will be prepared in advance of all Board meetings by the Executive Director/Secretary, and he/she shall give all Board members and working committee chairs the opportunity to place items on the agenda. Any agenda item being presented to the full Board for action must first be reviewed by the appropriate committee for consideration and recommendations. The agenda will be provided to Board members prior to the board meeting.

Minutes. The Executive Director/Secretary shall send minutes of all regular meetings of the Board of Directors and Executive Committee, within thirty (30) days after each meeting, to the members of the Board, making such minutes available, at no cost, to all Sertomans upon request if sent electronically. The minutes will not be read at Board Meetings, but will be accepted as printed or corrected, as appropriate.

Past International Presidents. All Past International Presidents may receive notice of all regular Board and Executive Committee meetings, agendas and minutes upon request, at no charge if sent electronically.

Officers and Directors

Expectations: In addition to the responsibilities of the Directors and Officers as defined in Article III, Section C of the Policy Statements, the Directors and Officers are expected to:

- Attend 3 Board Meetings a year, and participate in other communication venues of the Board/Conference calls/ Webinars, etc. and prepare to contribute.
- Attend National and Regional Conventions and Training.
- Contribute to Annual Fund
- Have access to E-Mail service and supporting programs to read and download documents.

Qualifications/Traits: each candidate for office should demonstrate the following

- Dedication to the Sertoma idea of Service
- Must be receptive to new ideas and programs
- Must be able to communicate, both verbally and written.
- Have a basic understanding of the Sertoma budget and the budgeting process.
- Basic understanding of Robert's Rules of Order and meeting management.

Limits of Authority. When any member of the Sertoma Board of Directors insists on action that is in conflict with the Sertoma Bylaws, Policy Statements or Procedure Statements, or prior Board action, the Executive Director shall not comply with the request and shall immediately notify the members of the Executive Committee.

Lost Pins. Damaged or lost pins of Officers and Directors shall be repaired or replaced at the expense of the individual damaging or losing them.

Executive Committee

Authority and Responsibilities. In addition to the functions prescribed in the Policy Statements, the Executive Committee shall:

- Be empowered to make such other decisions on an emergency basis which, in its discretion, require immediate action for the efficient functioning of the organization between meetings of the Board.
- Make any suggestions to the Board of any matter not of an emergency nature and give its recommendations as to action to be taken by the Board.
- Review any matter tabled to the next Board meeting and may give its recommendation as to action to be taken by the Board.
- Review any matter referred to any other committee and, in its discretion, make its recommendation to that committee. If any recommendation is made, such recommendation shall be included in the report of the committee to which the recommendation is made at the next meeting of the Board.

Meetings. The Executive Committee shall hold official meetings as may be called by the President or majority of members as set forth in the Policy Statements, Article III, Section C.

Nominations and Elections

Standards and Authority. The standards and authority for all nominations and elections within Sertoma are defined in Article III of the Policy Statements and where not in conflict with these Policies, the most recent edition of "Robert's Rules of Order."

Procedures and Administration. All elections processes, including nominations, credentialing and balloting, will be administered according to the most recently approved Sertoma Election Procedural Manual.

Announcement Deadline. Announcement of candidacy for national officer must be received in writing to the Executive Director of Sertoma, Inc., by the date determined by

the Board to be no less than (90) ninety days prior to the first business session of the Annual Convention in order that they be included in all Sertoma supported activities related to the election.

Section 4 Divisions and Subsidiaries

Divisions – USA and Canada

Changing. Before requesting a change in division boundaries, the creation of a new division, or required changes in division boundaries, the involved parties should ensure that: The involved parties should obtain, where possible, the consent of the clubs involved in creating or changing division boundaries. The Board of Directors has final authority on all division matters.

Banners. New division banners required as the result of a division changing its name will be paid for by the new division.

Section 5 Conventions

General

Ceremonial Procedures.

- The official Sertoma flag and the flag of the nation where the meeting is held will be displayed at Regional Conventions as provided by the host club. If possible, a formal “presentation of colors” will be made at the opening session.
- The presiding officer will convene the Convention by stating “by virtue of the authority vested in me by the Bylaws of Sertoma, I call this Convention to order.”
- At the closing banquet, a formal toast will be made to the nations, after the invocation and prior to the meal.

Transfer of Registration Fees. Any registration fee, paid in advance by an authorized club representative to any official Convention of Sertoma, may be transferred to an alternate authorized club representative at the direction of such person.

Fundraising.

- There shall be no solicitation of funds at Regional or District Conventions for the purpose of advancing the candidacy of any person for elective office. No fundraising will take place at or during general business or meal functions of the Convention except those authorized by and in support of Sertoma, Inc.
- Fundraising at conventions in place by tradition prior to July 2010, shall be considered as authorized activities.
- No club or person may sell raffle tickets or conduct drawings, or by any other means raise funds for local sponsorships or for any other purpose at any Convention, except as noted in bullet above.
- Host clubs may solicit the donation of door prizes.
- Merchandise sales at Conventions by members or clubs are prohibited.

Annual Convention

Registration Fees.

- **Establishing Fees.** Based on the recommendation of the Executive Director, the Executive Committee shall annually set a Convention registration fee subject to the approval of the Board of Directors. Tickets for some single events may be purchased apart from the registration fee.
- **Registration Fee Requirement.** Only individuals and/or club representatives who pay the official registration fee (or receive complimentary registration) will receive a badge and be eligible to vote.
- **Complimentary Registrations.** The package registration fees will be complimentary for all Past International Presidents as defined in the Policy Statements Article IV A-2, current national Officers, their spouses, and current Directors. Registration fees will be structured to cover the actual cost to the organization of the estimated number of complimentary registrations.

Convention Program. The Official Convention Program will be formulated by the Executive Director, subject to approval by the Executive Committee and the Board of Directors.

Convention Badges. Recognition will be given to Convention attendees as to how many Conventions each has attended, by having a special area printed on the Convention badge for recognition purposes.

Open Houses. No open houses or hospitality hours are allowed.

Fred J. Kuehne Award. A Fred J. Kuehne Award Program will be held for Sertomans attending their first Convention. The rules for the Fred J. Kuehne Award will be determined by the Board of Directors.

National Service to Mankind Award Recipient. At each Convention, the recipient of the current year's National Service to Mankind Award shall be recognized.

Division Conventions

Visiting Officer. The President will, subject to the approval of the Executive Committee, and subject to limitations of the budget, schedule a visiting Officer to represent Sertoma at each of the Regional Conventions. Subject to budget, Sertoma shall expenditures specified in Travel Policy of these Procedure Statements for Sertoma Officers assigned to attend Regional Conventions.

- Any incidental travel or meal expense incurred by the visiting Officer at a Regional Convention, and which is not reimbursed by the region, will be reimbursed by Sertoma as defined in Travel Policy of these Statements.

The visiting Officer attending Regional Conventions shall:

- Provide the National Board update,
- If present, introduce candidates for national office,
- Preside over debate of national resolutions, and the election process for the

regionally-elected director

- Provide leadership training
- Other roles and duties as assigned by the Executive Committee or Board or requested by the Director chairing the Convention

Service to Mankind Award. It is required that Regions include in their Convention budgets reimbursements to the Regional Service to Mankind Award recipient for room, meals and travel expenses.

Promotion Lists. Sertoma Headquarters will furnish a set of mailing labels of all Sertoma members within each region to the host club or clubs.

Section 6 Financial

General

Standards and Practices. The accounting and management of all financial assets will be done in accordance with current GAAP (Generally Accepted Accounting Principles), FASB (Financial Accounting Standards Board), and IRS guidelines for public charities.

Authority. The staff has sole authority for management and administration of financial resources; no volunteer may commit the financial assets of or bind the organization in any manner without expressed authority from the Executive Director and/or the Board of Directors. The Director of Finance/Administration, with the input of the Auditor, will maintain appropriate internal controls for all purchasing and the receipt and distribution of funds.

Receipt of Funds. Should staff or an authorized volunteer take receipt of funds for Sertoma for any purpose at a convention, meeting or club visit, he or she will:

- Provide a detailed list of each receipt, including the payee, amount, purpose and form of payment.

The volunteer or staff collecting such funds may, for security reasons, exchange any cash for a single check from the appropriate Sertoma entity, or purchase a money order.

Within forty-eight (48) hours of collection of the funds, all proceeds and documentation will be forwarded to Sertoma Headquarters, with receipt copies provided for all payees.

Funds Structure

- Operating Fund. The budget shall be established for the Operating Fund of Sertoma. The Operating Fund is the unrestricted funds collected during the Sertoma fiscal year to be used to pay all expenses during the Sertoma fiscal year. These funds will only be invested as deemed fit by the Director of Finance/Administration and Executive Director with no risk to the operating cash position of Sertoma.
- Operating Reserve Fund. Dues collected during the fiscal year that are restricted, based upon Board and staff recommendations, shall be set aside in a fixed-income

investment with minimal risk to the principle. The earnings from this fund shall be reinvested into the fund to increase its value. The cash/investments in this fund shall be used at the discretion of the Board of Directors and Executive Director for operating shortfalls and maintenance to Sertoma Headquarters.

The Executive Director may make short-term appropriations from this fund to manage cash flows or in case of emergency. Any use of the reserve to manage a deficit or an unbudgeted expense requires notification and approval of the Board as an adjustment to the annual budget.

- **Convention Reserve Fund.** Dues or excess earnings collected during the fiscal year may be restricted to a Convention Reserve Fund upon recommendation of the Board of Directors and staff. These funds are set aside to pay only for expenses related to the Convention where income for the Convention has not covered these expenses. The value of this fund shall never exceed \$50,000. This cash shall be invested in fixed income with the earnings being retained, unless the balance is \$50,000 at which time the earnings are transferred to the Operating Reserve Fund.
- **Other Reserve Funds.** The Board of Directors and staff may establish other reserve funds as necessary to maintain and run the business operations of Sertoma. These funds shall be set aside as fixed income with no risk to principle.

Endowment Funds.

- **Life Membership Fund.** The Life Membership Fund is a Board-directed Endowment Fund. All Life Membership fees will be deposited into this fund and be fully invested as defined in these policies (effective July 1, 2004). Annual distribution will be determined to cover the budgeted costs of service for Life Members. Any additional distribution requires a two-thirds (2/3) approval of the Board.

Budget

The annual budget shall be prepared by the Sertoma staff and Treasurer. The Treasurer shall submit the proposed budget to the Board of Directors for its consideration, revision and approval.

Once approved, budgeted expense items may not be exceeded in any account in excess of \$100. However, the Director of Finance/Administration, the Treasurer and the Executive Director shall have the authority to make line-item adjustments not to exceed ten (10) percent of the original budget account amount, so long as the total of expenditures does not exceed the total amount of all accounts as originally budgeted. The Treasurer shall present adjustments exceeding this requirement to the Board for approval.

Service Club Leaders Conference. The budget will reflect expenses for the President-Elect and the Executive Director to attend the Service Club Leaders Conference. Other staff will attend as allowed by the budget and within the limitations set by the conference.

Reports

Monthly financial statements accounting for all revenues and expenditures report, shall be sent by the Director of Finance/Administration to the members of the Board. "Not in Good Standing" reports will be sent quarterly to the Board and to District Governors.

Exchange Rates

All dollar amounts specified in the Sertoma Bylaws, Policy Statements and Procedure Statements are in U.S. dollars and payable only in U.S. dollars, or at the official current exchange rate, unless specified otherwise.

Canadian Life Membership Fund

The Canadian Life Membership Fund shall be administered in Canada by Sertoma Canada, Inc. This fund will pay the expenses for the magazine and Life Member benefits for Canadian Life Members.

Insurance & Pensions

- Group major medical/dental insurance shall be carried on all employees, with Sertoma paying eighty-five (85) percent of the premium cost and the participants paying fifteen (15) percent. Long-term disability/life insurance coverage is provided for all full-time employees. Sertoma pays 100 percent of the premium cost.
- Sertoma provides a retirement program for its employees in the form of a Model SEP-IRA Plan. Sertoma contributes a minimum of ten (10) percent of wages earned during the fiscal year to employees who have earned more than the IRS minimum required for eligibility in more than one (1) fiscal year.
- Travel accident insurance shall be carried on the President, the President's spouse, all Officers, Directors and Sertoma Headquarters staff who travel, providing coverage on a 24-hour-a-day basis while on Sertoma business, and involving any form of accident, for loss of life, limb or sight and the medical expenses involved; such coverage to be in the amount of \$100,000 principal sum plus \$10,000 medical expense for the President, \$50,000 principal sum plus \$5,000 medical expense for the President's spouse, and \$50,000 principal sum plus \$5,000 medical expense for all others so covered. Hired and non-ownership liability insurance shall be carried for all vehicles used on Sertoma business by employees and the membership in the amount of the policy limits.
- As defined in the insurance policy, other Sertoma volunteers will be provided travel accident policy. Coverage is limited to actual time engaged in Sertoma business and does not include medical coverage.

Travel Policy

Travel Defined. All travel must be authorized by the Board of Directors or Executive Director to be eligible for reimbursement by Sertoma. All travel must be done for the benefit of Sertoma and its purpose. Expenses will be reimbursed within the limitations of the approved budget for the year in which travel is approved.

Reimbursable Travel Expenses Defined.

- Transportation. Sertoma will pay for coach airfare or mileage in the traveler's personal automobile at the Internal Revenue Service charitable rate. The amount allowed for reimbursable transportation shall be based on the lesser of the cost of coach airfare or mileage allowance, the mode of transportation being the choice of the traveler.
- Hotel. Sertoma will pay for hotel rooms as defined for the specific meeting occupancy rates. Only those room nights specifically required for the authorized business will be considered for reimbursement, except in those cases where an additional room night is offset by an equal reduction in transportation costs.
- Car Rental. Sertoma will pay for a car rental for national Officers only when deemed necessary for the authorized travel. The reimbursement will be for full-size rentals only.
- Miscellaneous. Sertoma will pay for the following miscellaneous items:
 - Taxi/Shuttle. Rides to and from the airport and meeting location will be reimbursed.
 - Registration Fees. Sertoma will pay all meeting registration fees for authorized travel.

Authorized Travel Expenses Defined.

- Board Meetings. All authorized attendees of the Board meeting or authorized meeting of Board committees shall be reimbursed for transportation expenses. Hotel expenses will be reimbursed for Officers for the total cost of single occupancy; Director-at-large will be reimbursed for the total cost of single occupancy; Regional Directors and all other authorized travelers will be reimbursed for one-half (1/2) the cost of dual occupancy. Miscellaneous expenses will be reimbursed at actual costs.
- Presidential Travel. The President will be reimbursed for transportation, housing, and meals. The total of reimbursements cannot exceed the amount in the budget for Presidential travel for the year in which travel is approved.
- National Convention/ Leadership Training.
 - Non-Board members: all transportation costs and miscellaneous costs excluding National Convention registration.
 - Board members: all transportation costs, all miscellaneous costs and Convention registration. Hotel expenses will be reimbursed for Officers for the total cost of single occupancy; Director-At-Large will be reimbursed for the total cost of single occupancy; Regional Directors and all other authorized travelers will be reimbursed for one-half (1/2) the cost of dual occupancy. Suites will only be provided for Officers at the National Convention if these rooms are complimentary or provided at the single-occupancy rate.
- Regional Conventions. Sertoma will pay for the official representatives for transportation, hotel and miscellaneous expenses, unless already provided by the region.
- Other Authorized Meetings. Other than listed above, those requested and authorized to travel on behalf of the national organization in an official capacity will be reimbursed for travel, hotel and miscellaneous expenses.

Excluded Travel Expenses Defined.

- Division Travel. Travel expenses of a volunteer whose travel was requested by a division or club, including Fall District Conference (FDC) and Mid-Year meetings, and other than those listed in Authorized Travel Expenses in these Procedures, will be the responsibility of the entity requesting the travel.

Reimbursement Procedures.

- All expenses must be itemized on an expense report, with all receipts attached for verification.
- All authorized travelers will be reimbursed after approval by the Sertoma Treasurer. The President shall approve the Treasurer's expenses.
- All expense reports must be turned into the appropriate approval level within thirty (30) days of the travel dates.
- All expenses incurred the last month of the fiscal year must be turned in by the fifteenth (15th) of the month following the last month of the fiscal year.
- All expenses will be refunded by check.

Miscellaneous Travel.

- Reimbursement for use of Frequent Flyer Awards. Any Sertoma member who is entitled to reimbursement for air travel for official Sertoma travel who uses a Frequent Flyer Award to purchase his or her airline ticket shall be reimbursed by Sertoma for fifty (50) percent of the reasonable cost that Sertoma would have paid for said airfare. The reasonable cost of airfare is defined in Reimbursable Travel Expenses in these Procedures. Nothing in this subsection shall require the use of Frequent Flyer Awards for Sertoma travel.
- Sertoma staff or the assigned agent will make arrangements for family members of Board members and staff only if tickets are charged to a personal credit card of the person requesting such services.

Staff Travel.

Staff will be reimbursed for transportation costs, hotel, meals, car rentals and miscellaneous expenses when traveling on Sertoma business. This travel is limited to the staff travel line of the approved budget. These and all other expenses related to travel will be reimbursed at the discretion of the Executive Director within the budget limitations of staff travel. The Treasurer must approve reimbursement of travel expenses for the Executive Director.

Credit Cards

Only the Executive Director of Sertoma shall be authorized to apply for and possess one charge or credit card of any type whatsoever, issued in the name of Sertoma. The use of said charge or credit card shall be limited to official Sertoma business.

The charges incurred with said charge or credit card shall be audited monthly by the Director of Finance/Administration, with any unbudgeted or inappropriate expenditures reported to the Treasurer of Sertoma.

The Director of Finance/Administration is authorized to establish with the bank Visa, MasterCard, Discover, and American Express accounts in order to accept credit card payment from members and individuals.

Loans and Advances

No official of Sertoma and no staff member shall ever be granted any type of loan or salary advance from Sertoma. Advances for travel expenses may be made, if necessary, in limited amounts for staff members only.

Section 7 Emblems Flags and Customs

Annual Theme.

An annual theme may be developed by the Sertoma Headquarters staff, subject to the approval of the Executive Committee. The theme may be featured in various venues and publications throughout the year.

Colors.

The official colors of Sertoma are gold, royal blue and black, and any combination thereof may be employed.

Toast to the Nations.

At Sertoma Conventions, Charter Banquets and other banquets of Sertoma, a toast will be made to the nations of Sertoma. The person leading the toast will state:

*“Ladies and Gentlemen, remain standing, raise your water glasses, repeat after and drink with me: ‘A toast to the people of all Sertoma nations.’ (drink and pause)
Please be seated.”*

Banner Medallions.

A banner medallion shall be furnished to each club from whose membership an Officer, Director or District Governor is elected. A banner medallion shall be furnished to each club that hosts a Regional Convention. The medallion for the host club will be sent upon receipt of the required Regional Convention Report.

Flags.

The official Sertoma flag and the flag of the nation where the meeting is held should be displayed at all Sertoma functions and meetings (table sets if large ones are not available). Flags representing all countries where there are Sertoma clubs should be displayed whenever possible.

Sign Language for Sertoma.)

Be it known throughout all Sertoma nations that the official “Sertoma Sign” for the deaf shall be represented by crossing arms across the chest and uncrossing in an open stance.

Section 8 Development Procedures

Definitions

Book Value – The total of gifts credited toward the endowment, a Center of Excellence, or a specific fund.

Market Value – The total of gifts credited toward the endowment, a Center of Excellence, or a specific fund including changes resulting from investment and distribution activity.

Center of Excellence – Predetermined categories of programs established within the Endowment of Sertoma to define distribution parameters for restricted and designated gifts.

Official Representatives – Those individuals elected by the membership, or appointed by the Board of Directors, staff or affiliated organizations to represent Sertoma. The Director of Development will maintain a current record of all Official Representatives.

Recipient Organizations – Recognized 501(c)(3) organizations that receive distributions from the endowment.

Named Fund – A recognition program that provides donors the opportunity to name an endowment fund based on a specific level of giving.

Advised Named Fund – An endowment fund established by an individual donor who in recognition of establishing the fund at a specific level has the privilege annually to recommend recipients of available distributions. The Board of Directors makes final distribution decisions. Distributions are limited to 501(c)(3) charities.

Invested Named Fund – An endowment fund established by an organization that in recognition of establishing the fund at a specific level has the privilege annually to direct the available distributions. Distributions are limited to 501(c)(3) charities.

Annual Campaign – An annual effort to provide financial support for the current operating budget or otherwise as approved by the Board of Directors of either Sertoma or a designated affiliated organization. Use can be unrestricted, restricted or designated.

Endowment Gifts – Gifts given to provide permanent income through earnings on a protected principal. Based on conditions of the original gift, use can be either donor or Board-designated.

- Unrestricted Gifts – Use of the earnings from these gifts is designated by the Board within the guidelines established by the budget.
- Restricted (Center of Excellence Gifts) – Earnings from these gifts are restricted for use within a specific functional area as determined by the Board or the appropriate affiliated organization. The Board determines Centers of Excellence.

- Designated (includes all gifts to Invested and Advised Funds) – Use of the earnings from these gifts are designated by the original donor or their assignee, and may only be used for that specific purpose. All designations are subject to approval by the Board of Directors.

Annual Gifts – Gifts given in support of annual operations, programs and services provided for or supported by Sertoma.

- Unrestricted Gift – Gifts used in the best interest of Sertoma. The Board and Executive Director direct the use of these gifts through the annual budget.
- Restricted Gift – Gifts with preferred area of use specified by the donor. Designated use determined by the Board or the Executive Director.
- Designated Gift – Funds donated for a specific purpose or use agreed upon by the donor and Sertoma.

General

Mission. Sertoma will only accept gifts that are consistent with the advancement of its mission.

Ethics. All giving programs will be conducted in accordance with high standards at all levels; including a competent staff, engagement of qualified counsel, and adherence to all applicable federal and state governmental regulations. Sertoma and all authorized to solicit or accept gifts subscribe to the Code of Ethical Principles and Standards of Professional Practice of the Association of Fundraising Professionals and the National Committee on Planned Giving.

Authority. No individual, affiliated or recipient organization will solicit funds in the name of, or on behalf of, Sertoma unless authorized to do so by the Board of Directors, the Executive Director or their designee.

Clearance. The Executive Director or their designee must approve all solicitations in advance.

Acceptance. Designated gifts in excess of \$25,000 may be received by the Executive Director or their designee; however, only the Board of Directors or the Executive Committee can officially accept these gifts. A majority vote of the executive committee is required to accept these types of gifts. Non-endowment gifts under \$25,000 can be accepted by the Executive Director or the Director of Development. Exceptions may be granted for pre-approved projects or funds.

Restricted gifts, grants or planned gift instruments restricted to current Centers of Excellence or the current budget may be received by any current official representative of Sertoma. The Executive Director, Director of Development or their designee can officially accept these gifts.

Unrestricted Gifts of any value can be received and accepted by any official representative of Sertoma.

All gifts of personal or real property, and planned gift instruments will be accepted only after review and recommendation of the Executive Director, Director of Development and approval of the Board as described within the Planned Giving and Gift Formats section of these Procedure Statements.

Gift Formats. Sertoma approves acceptance of the following gift formats. See Gift Formats Section for detail:

- Cash, securities or other cash equivalents;
- Gifts by will or from revocable trusts;
- Gifts of life insurance;
- Gifts through charitable lead trusts;
- Gifts with charitable remainder interests which would include: charitable gift annuities and deferred payment annuities; charitable remainder unitrusts and annuity trusts;
- Gifts of undivided interests in property, including residences and farms, with or without a life interest;
- Gifts of qualified retirement plans;
- Gifts of personal property or other assets such as works of art.

Pass-Through Gifts. Sertoma does accept pass-through gifts designated for its affiliated organizations. All gifts are subject to the approval of the Executive Director or the Executive Committee as defined in these policies.

Promises to Give. The Executive Director, Director of Development or their assignees may solicit promises to give on behalf of Sertoma. These promises to give will be recorded in the accounting records according to the guidelines established by Financial Accounting Standards Board Statements 116 and 117. All promises to give must be submitted in writing to Sertoma. Promises to give may not exceed five (5) years in duration. Any donor requesting a promise to give greater than five (5) years in duration must have approval from the Sertoma Treasurer and Executive Director prior to being accepted. Promises to give of this type must have written documentation as to the reasons pertaining to the extended length. Once approved, notice will be given to the Board of Directors. All promises to give that have exceeded their duration or have not made payment in three (3) years will be written off by the Director of Finance/Administration with notice to the Sertoma Treasurer and Executive Director.

Gift Value. No individual in the employ of Sertoma will confirm the value of a gift, other than gifts of cash or readily marketable securities.

Administrative and Overhead Costs. All designated funds and gifts will include allowance for administrative and overhead costs associated with management and distribution of those funds or gifts.

Recognition and Stewardship

Quid Pro Quo. It is the policy of Sertoma that all recognition and stewardship programs are structured as to not create a “quid pro quo” contribution as defined by the IRS.

Annual Gifts. All non-campaign related gifts will be credited toward the donor’s total giving for annual recognition. Recognition will be provided in the Annual Report of Sertoma, at the International and Regional Conventions of the affiliated organizations, and as otherwise defined by the annual development plan.

Accumulated Giving. Sertoma authorizes the establishment of a recognition society, to provide stewardship and recognition for the accumulated lifetime giving of its donors. The members of the society will receive recognition in the Annual Report of Sertoma, at the Conventions, and as otherwise defined by the annual development plan.

Planned Gifts. Sertoma authorizes the establishment of a recognition society to provide continued stewardship and recognition of individuals who make planned gifts. Individuals will be given membership in the society by notifying Sertoma in writing that they have made a planned gift with Sertoma as beneficiary. The members of the society will receive an annual report on the status and impact of the planned giving program as well as an update on the endowment of Sertoma.

At the time a gift is made, donors must indicate their desire to be anonymous, or their willingness to have their name published. Public announcements or other publicity concerning gifts not indicated as anonymous, are the prerogative of Sertoma. Donors or members of a deceased donor’s immediate family will be consulted, and their approval will be sought, before gifts are made public.

Campaign Recognition. The Board of Directors reserves the right to establish special recognition programs for gifts made through an endowment or capital campaign. Such recognition programs will be defined in the campaign plan and will be limited to those gifts given specifically to that campaign.

Named Endowments. In recognition of a gift of \$25,000 or more to the endowment, the donor may name the fund. Donors also have the privilege to designate a gift’s purpose within the guidelines established for advised or invested funds in the endowment management section of these Procedure Statements. All naming opportunities require the approval of the Board or its assigned committee prior to acceptance of the gift.

Stewardship of Endowment. The Annual Report of Sertoma will include a report on the endowment, which will include the following:

- Current book value of the endowment by Center of Excellence
- Total of new gifts to the fund during the past fiscal year
- Changes in value of fund due to investment activities for the past fiscal year
- Current market value
- Proceeds distributed for the past fiscal year

- Impact statement on the use of distributed funds

In addition, donors who have established a named endowment will receive annually an individual report, which will include the following:

- Current book value of the fund
- New gifts to the fund during the past fiscal year
- Changes due to investment activities for the past fiscal year
- Current market value
- Proceeds distributed for the past fiscal year

Planned Giving

Purpose of the program. The Planned Giving Program offers gift opportunities for donors who want to provide philanthropic support to Sertoma through financial or estate planning. The planned giving program will assist donors by informing them of philanthropic techniques that are best suited to achieving their objectives while providing a positive benefit to Sertoma.

Donor objectives include, but are not limited to, the following:

- Offering donors the opportunity to retain life income from their capital while making revocable and irrevocable commitments to Sertoma.
- Enabling donors to make significant gifts during life that might not have been possible without income retention.
- Allowing donors to provide benefits for family and other desired beneficiaries.
- Encouraging estate planning and the preparation and maintenance of up-to-date wills.
- Ensuring donors achieve full realization of the positive tax consequences of their generosity.

Responsibilities and Authorities. Any gift that does not meet the requirements of these policies must be reviewed and approved by the Board before acceptance. In the event a gift is accepted that legally obligates Sertoma, the President and the Executive Director are the only authorized signatories. The Board of Directors reserves the right to decline any bequest or gift if it is determined that the gift is not in the best interest of Sertoma or the donor.

Planned Gifts Value. The value of planned gifts will be determined by the prevailing legal or national standard of practice. The board can count gifts internally as expectancies and may elect to disclose these values in the footnotes of the audited financial statement.

Legal Counsel. Donors will be advised to seek their own counsel (including tax advisors) in all aspects of a proposed gift. Legal counsel will be used by Sertoma as determined by the Executive Director, the Director of Development, or the Major and Planned Gifts Committee.

Separate Directors. When a gift format requires a trustee, donors are encouraged to use their bank or another trustee of their choice. Sertoma shall not act as trustee.

Ethical Practices. In addition to the Principles and Standards of the Association of Fundraising Professionals, all individuals authorized to solicit or accept planned gifts for Sertoma will subscribe to the standards of practice defined by the National Committee on Planned Giving.

These standards include, but are not limited to:

- The Executive Director, Director of Development or their assignee will represent themselves as development professionals only and not as a legal, financial or tax advisors. A disclaimer on any written proposal will advise the donor the proposal be reviewed by their own financial or legal counsel.
- The Planned Giving Program is donor-oriented. In all matters involving donors or donor prospects, their needs are a primary consideration in that no agreement, charitable trust, or other commitment shall be urged upon a donor at the expense of their better interest, even if this results in a smaller gift or no gift.
- No planned gift will be accepted that has potential negative financial implications for Sertoma.
- Donor requests for anonymity are always honored. Exceptions to this confidence will be when Sertoma is required by law to make information available to the Internal Revenue Service and other federal and state agencies.

Memorial Gifts

Memorial gifts are designated or undesignated contributions given in memory or honor of someone.

- Unrestricted Gift. Gifts made are to be deposited immediately into the Service to Mankind (General Purpose) Fund located within the Endowment Centers of Excellence.
- Restricted Gift. Gifts restricted to a Center of Excellence specified by the donor. Designated use determined by the Board of Directors or the Executive Director.
- Designated Gift. Funds donated for a specific purpose or use agreed upon by the donor and Sertoma.

Gift Formats

Cash and Securities. The Executive Director, Director of Development or their assignees may solicit gifts of cash and intangible personal property including stocks and bonds traded on the open market. Other securities such as closely held stock, zero-coupon bonds, and commercial paper may be accepted only upon review of their marketability. No such gift shall be accepted that requires a financial commitment or risk from Sertoma. Gifts of intangible personal property will normally be sold immediately. However, Sertoma retains the right to decide if and when any security should be sold.

Wills and Revocable Trusts. The Executive Director, Director of Development or their assignees may solicit estate gifts through wills or revocable trusts. Sertoma will

encourage donors to inform the development office of the existence of such provisions. No member of Sertoma's staff shall draft or prepare the will or testamentary letter of a donor. Estate gifts may consist of cash or specific assets such as trusts, securities or other cash equivalents as well as gifts of personal property or real estate. These gifts can be given as a set amount of money, a percentage of the estate, a remainder of the estate, or a contingency gift.

Qualified Retirement Plans. The Executive Director, Director of Development or their assignees may solicit gifts from qualified retirement plans. The organization can be named as beneficiary to eligible retirement and supplemental retirement plans. Donors should be encouraged to consider this method of giving to obviate double taxation (taxation on income to the decedent as well as applicable estate taxes).

Gifts of Life Insurance. The Executive Director, Director of Development or their assignees may solicit gifts of life insurance. Donors can make gifts of life insurance by (1) purchasing new policies and naming Sertoma as owner and beneficiary, (2) by assigning ownership and beneficiary rights of existing policies to Sertoma, or (3) naming Sertoma only as beneficiary.

As owner of any policy, Sertoma will pay any premiums due if the donor makes a gift in like amount to Sertoma. In the event that the donor decides not to make a gift of the premium amount to Sertoma or pay the premiums directly, Sertoma may decide to make such payments or to discontinue payments.

Approved types include whole life, universal life by its numerous trade names, and variable life. Ownership by Sertoma of straight term insurance is not approved. However, the donor may designate Sertoma as a beneficiary on term insurance.

Gift Annuities. The Executive Director, Director of Development or their assignees may solicit gift annuities. The gift annuity agreement provides a gift to the organization in exchange for a designated income for life and a tax benefit to the donor. The income amount is determined from the "Uniform Gift Annuity Rates" adopted by the American Council on Gift Annuities. Sertoma will follow these rates unless the Board approves an exception. Use of these gifts will be restricted to supporting the income agreement until the death of the donor.

The Executive Director, Director of Development or their assignees will prepare illustrations and proposals that demonstrate the income and impact of a gift annuity. It is recommended that gift annuities will be a minimum of \$10,000.

Charitable Lead Trusts. The Executive Director, Director of Development or their assignees may solicit gifts in the form of charitable lead trusts. The lead trust first makes payments to Sertoma and then passes its assets back to the donor or others selected by that individual after a specific period. Donors can make additional contributions to lead unitrusts.

Lead trust agreements will be governed by the following:

- The recommended minimum amount for a lead trust shall be \$300,000.
- The trust term will be specified by a number of years or by the life of one or more named individuals who are living when the trust is created. The minimum term shall be five (5) years.
- Income payments to Sertoma may be through either an annuity trust or unitrust instrument.
- Donors and beneficiaries may be any age.
- The lead trust can be created by will or lifetime trust agreements.

Charitable Remainder Annuity Trusts and Unitrusts. The Executive Director, Director of Development or their assignees may solicit gifts of charitable remainder annuity trust and unitrust agreements. The charitable remainder trust provides a donor the ability to transfer property to the organization and receive an annual income from the value of the trust. This benefit continues for the life of the donor or the joint lives of two (2) donors, or for a period not to exceed twenty (20) years.

An annuity trust pays the beneficiary a fixed percentage (no less than 5 percent) of the initial fair market value. Initial value is fixed at the time the trust is established. If, in any year, the income is insufficient to cover the annual payments, the difference shall be paid from the principal.

A unitrust pays the beneficiary a fixed percentage (not less than 5 percent) of the fair market value of the trust determined annually. By law, a unitrust cannot have more than a fifty (50) percent maximum payout and not less than a ten (10) percent charitable remainder. If, in any year, the income is insufficient to cover the annual payments, the difference shall be paid from the principal.

Remainder trust agreements will be governed by the following:

- Management fees must be paid from trust principal unless prevented by specific nature of trust agreement, such as net income trusts.
- No trust shall be established for less than a five- (5) percent payout or more than a ten- (10) percent payout, without approval of the Planned Giving Committee.
- The recommended minimum amount for establishing a remainder trust shall be \$100,000.

Gifts of Real Estate. The Executive Director, Director of Development or their assignees may solicit gifts of unencumbered real estate. Gifts of real estate are accepted **only** with the approval of the Executive Committee of the Board of Directors.

Gifts of real estate will be governed by the following:

- A minimum gift of \$50,000 is required.
- Gifts of real estate shall be irrevocable.
- Such gifts will be accepted with the understanding that the real estate can be sold immediately with proper notification to the Internal Revenue Service, via Form 8282.
- No restrictions on the future use of the property may be placed by the donor.

- A Phase I Environmental Site Assessment will be made prior to the acceptance of real estate. A Phase II Environmental Site Assessment may be required based on the findings of Phase I. These assessments are the responsibility of the donor.
- Donor must provide clear title.
- Real estate gifts shall be valued at the fair market value. The donor and the organization will provide qualified appraisals of the property. If the two appraisals vary significantly, then a third appraisal should be sought. Where a sale is imminent and the donor agrees, an appraisal separate from the sale is not required. The sale price will document the value.
- Written agreements for gifts of real estate must include provisions for payment of expenses including, but not limited to, finder's, broker's and realtor's fees, taxes and assessments, insurance and cost of maintenance.

Gifts of Residence or Farm with a Retained Life Estate.

Gifts of real estate in the form of a residence or farm can include a retained life estate.

Retained life estate gifts will also be governed by the following:

- Life estates will be limited to two (2) beneficiaries.
- Donors may continue to reside in or farm such property, or may lease the property, provided such lease shall be a year-to-year lease.
- The donor is responsible for maintenance, taxes, etc. as he/she maintains a "life estate" in the property.
- If the property is sold during the period of the life estate, proceeds of the sale will be divided between the donor and the organization based upon the value of the life estate interest at the time of the sale.

Personal Property. The Executive Director, Director of Development or their assignees may solicit gifts of tangible personal property. Such gifts might consist of collections, paintings and other personal property, not including real estate. Sertoma reserves the right to refuse gifts that do not directly further the mission of Sertoma. The donor will be informed that Sertoma policy is to sell such gifts unless they serve a function for Sertoma or are to be used to enhance the aesthetic environment of Sertoma Headquarters.

The donor will be made aware that the gift must be put to a use "related to" the exempt mission of Sertoma in order to receive a tax deduction for the full fair market value. Otherwise, the tax deduction is limited to the property's basis (cost) or fair market value, whichever is less.

The donor will be informed that a qualified appraisal is required to claim a tax deduction for a gift of one or more similar items with an aggregate value of \$5,000 or more. Also, IRS Form 8283 must be completed by the donor and attached to the donor's tax return when claiming a deduction.

Charitable Funds Endowment

Endowment funds are assets that provide support in perpetuity. The endowment funds are invested, and a portion of the investment return provides support for approved programs and services.

A donor's gift to the endowment is considered pure endowment. The Board of Directors can designate funds as endowment. These funds, known as board-designated funds, are treated as endowed until the Board changes its designation.

Centers of Excellence.

The endowment is structured into Centers of Excellence to give donors the opportunity to designate their funds area of interest.

- Sertoma Youth
- Sertoma Growth and Leadership Development
- Sertoma Freedom and Democracy
- Sertoma Communicative Disorders
- Service to Mankind (General Purpose)
- Sertoma Headquarters (Facility Support)
- Donor Advised and Named Endowment Funds

Term Limited Endowments.

The endowment does accept, with Board approval, term-limited endowments. Term-limited endowments are defined as funds that are treated as pure endowments for a specific amount of time.

Donor Advised Funds.

With approval of the Board of Directors, individuals and tax-exempt organizations may establish a Donor Advised Fund with a minimum gift of \$25,000. Donors have the privilege of annually recommending to the Board recipient organizations and the amounts of each distribution. The Board makes the final determination as to the timing of all distributions. These funds are not endowed, and the donor controls decisions related to the use of the book value of the fund.

Inactive Donor Advised Funds (those funds that have not qualified by reaching a gift value of \$25,000 or have failed to maintain the required minimum balance) will be treated as a portion of the general endowment of Sertoma until such time as the appropriate value is established.

Named Endowment Funds.

With approval of the Board, individuals and tax-exempt organizations may establish a named endowment fund with a minimum gift of \$25,000. Donors have the privilege of determining recipient organizations for the proceeds available from the fund. The Board makes the final determination as to the timing and amount of all distributions. Named Endowment Funds that have not reached a gift value of \$25,000 will be treated as a

portion of the general endowment of Sertoma until such time as the appropriate value is established.

Investment Objectives and Spending Rates.

The permanent nature of endowment funds creates a challenging objective—maintenance of the purchasing power of endowment assets in perpetuity. Asset allocation and spending policies are established with a long-term perspective in order for the endowment to maintain its purchasing power. This objective can only be accomplished by linking the investment objectives with its spending policy. Spending at levels that are inconsistent with investment returns will either diminish or enhance future endowment levels. In summary, the objective is to preserve the real purchasing power of the endowment by seeking long-term returns, which either match or exceed the spending rate plus inflation and the cost of investment management.

The general policy shall be to diversify investments within both equity and fixed-income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. The goal is growth with income in an approximate 60 percent equity/40 percent fixed-income allocation.

It is the policy of Sertoma to annually distribute a percentage of the trailing three-year average of the endowment's total asset value, as valued on the last day of the fiscal year. This percentage amount is to be approved by the Board as a portion of the budgeting process. The expectation is that, over time, the total real return (return net of inflation and fees) from investments will exceed the endowment's pay-out rate, thus allowing for real growth of endowment assets.

Distribution of Proceeds.

- Donor Advised Funds
Quarterly reports will be provided on the book and market value of Donor Advised Funds to the donors. The trustee or their assignee will review requests for distribution through the month following each quarterly report. Distributions, once approved, will be made according to the terms of the Donor Advised Fund agreement.

There is no limit to the number of distributions that can be requested. The minimum amount for each distribution is \$250. Unless otherwise approved by the Board of Directors, a minimum value of \$5,000 is required as a balance to maintain an active fund.

- Endowment and Named Endowment Funds
Annually the Board of Directors will determine the distribution available from each Center of Excellence and Named Endowment Fund based upon the following needs:
 - To preserve the value of all contributions against inflation to assure the future ability of the fund to maintain current charitable impact.
 - To cover the direct costs of the investments of the funds.

- To establish a six- (6) percent threshold of market value over book value in each fund to allow for fluctuations in the investments over time.
- To provide within these restraints the maximum charitable distribution possible.

Distribution amounts, as defined by a percentage of market value, will be determined annually following a preliminary review of year-end fund values by the auditor. The decision will be based upon the following procedure:

- Determine the year-ending book, market and margin values and calculate margin percentage (market/book value) for individual funds and the endowment in total.
- Calculate distribution market value for each fund and endowment in total (trailing three-year average of year-ending market values).
- Establish the annual distribution percentage through evaluation of the past three years' returns on investment, current market conditions and margin values of the endowment in total. There is no guarantee of a given percentage—though the expected range is between two (2) and six (6) percent. The Board of Directors must approve this percentage annually.
- Determine distribution (multiply distribution market value by annual distribution percentage).
- Calculate new margin value and percentage based on making distribution.
- Adjust annual distribution percentage down as required to meet the threshold of a six- (6) percent margin percentage following distribution. This may prevent any distribution in a given year. Any distribution that will reduce the margin percentage below a six- (6) percent threshold requires approval of the Board of Directors.
- Make approved distributions, and recalculate market value in the month the distribution is made.

All distributions are made according to the terms and conditions of these policies and the relevant Named Endowment Fund Agreement.

Section 9 Work of the Organization

Program Management

Authority

- The Board authorizes the creation of volunteer/staff teams and work groups to implement the work of the organization. These groups are not committees of the Board, and are accountable to the Executive Director for their performance.
- The Executive Director is accountable for the use of resources allocated and the outcomes defined by the Board –and as such will provide a report on status and plans for Management Teams and Working Groups as part of the Budget Process.

Definitions

- Management Teams are planning and evaluation teams to provide staffing support for management of areas related to mission and relationship. Members are a combination of paid and volunteer staff, as well as vendors and other professionals. Management teams are responsible for work groups operating within the scope of their focus.
- Work groups are a combination of paid and volunteer staff assigned to specific task/work to achieve the objects and outcomes of the organization. Work groups are under the supervision of a Staff member (paid and/or volunteer). The supervisor reports to and may be a member of the appropriate Management Team. Work groups will be created, changed or dismissed as needed to meet the needs of the organization.

Recruitment and evaluation:

- Management Teams: All members are appointed, and removed based on performance and the skill set required for the defined role. Recruitment is the responsibility of the assigned Team leader (staff – paid or volunteer). The Executive Director, along with consultation with the Executive Committee, has final authority on membership of a team
- Work Groups: Members will include a combination of elected and appointed volunteers as well as staff, vendors or other professional relationships. These will include but are not limited to Governors, CTs, FDRs and other working volunteers. Some Work Groups are determined by role – Governors, CT, FDR. However, the needs of the organization will determine work group/task assignments not solely the role.

Club Development Program

Purpose: The primary purpose of this program is to support consistent efforts and strategies for the direct development of new Sertoma clubs by a team of selected national volunteers. Secondly, to assist in the identification and development of additional volunteers to serve the needs of this program in the future. It is not the intent of the program to restrict or limit in any way the traditional efforts of clubs building clubs or other club development projects beyond the efforts of this program.

Control of the Program: Control and design of the program is vested in the Sertoma Relationship Management Team as assigned by the Executive Director and supervision of direct club development activity will be responsibility of the Chair of the New Relationship Work Group.

New Club Development Work Group: This is a work group to support the goals and direction of the Club Development program. The NCDWG members are expected to work directly on starting new clubs, and to train and support other volunteers working on starting new clubs. The structure of the committee is based on the following:

- Composed of at least seven members –with a target of one member from each Region
- A staff liaison will be appointed by the Executive Director to track club building progress and coordinate appointment of proper POM reps with the Executive Director

- As a work group, appointments are for one-year, members can be invited to serve multiple terms based on performance – a chair will be appointed from the members.

The expectations and duties for each member of the committee include:

- Members appointed will have demonstrated club development experience
- Members will support and function within the strategies, policies, and standards as approved by the Sertoma Board.
- Members will lead an effort to start a new club, or recruit and support other volunteers in that process. Within these efforts members will:
 - Identify club-building opportunities to meet the goals for growth as approved by the Board,
 - Recruit, train, and mentor Sertoma members and community volunteers in the strategies, process, and actions required to develop new Sertoma clubs
 - Identify and recommend new strategies and ideas for developing clubs, as well as provide feedback on current strategies and policies for consideration

Sertoma Leadership Institute (SLI)

Participants. All members may attend the Sertoma Leadership Institute at the annual convention, with the primary focus being for club leadership and Sertoma Officers, Directors, District Governors, CTs, Club Liaisons, FDRs and such other persons as determined by the Board.

Program and Curriculum. The purpose of this section is to promote continuity and consistent improvement in the content of the program. The staff will be responsible for developing the program each year and shall also select the SLI site, based upon economic considerations, for approval by the Executive Committee.

Expenses. All expenses, except those provided in the SLI budget and as defined in Travel Policy of these Procedure Statements, will be the responsibility of the participants and/or their division or club.

Certified Trainer Program

Purpose. The purpose of the Certified Trainer (CT) Program is to develop Sertoma members to assist in coordinated, targeted, quality training for Sertoma volunteers utilizing the curriculum and materials approved by Sertoma.

Control of the Program. Supervisory control of the Certified Trainer Program is vested in the Executive Director of Sertoma.

Certified Trainer Advisory Committee. The Certified (CTAC) is an advisory body for the Program. The purpose of the committee is to evaluate trainers and training; recommend policy/procedures parameters; review training of and continuing education for Certified Trainers; and support development and maintenance of training materials and methods.

- Membership. The CTAC shall consist of six (6) Certified Trainers. The Executive Director or a designated Sertoma staff member shall also serve as a liaison to the CTAC.

- Appointments to the CTAC will be made based on recommendations of the CTAC members and the Executive Director or his/her assignee.
- Term. Based on an annual performance review, a CTAC member is appointed for a three- (3) year term. They may be reappointed to no more than two consecutive terms.
- Chairperson. A chair will be appointed for a one-year term and will serve as a member of a planning and management work group as by the Executive Director.

Certification and Renewal

(this section is currently under a full rewrite by the CTAC for approval)

Travel and Training Assignments.

- Sertoma Trainings: Appointments to do trainings at the request of Sertoma such as for the Sertoma Leadership Training, webinars, and any training where Sertoma assumes a financial obligation for expense will be approved by the Executive Director.
- Other Trainings: A Certified Trainer may schedule training assignments for those assignments for which no financial reimbursement is requested from Sertoma. Trainers are to report all training events. If not using an approved training curriculum, must also provide CTAC with copies of materials used as a condition to retain CT or RT status.

Reimbursements for trainers are defined in Travel Policy and subject to the limitations of the budget.

Political Activities by Certified Trainers. To protect the credibility of the Certified Trainer Program and to maintain a respected status in the Sertoma organization, Certified Trainers are expected to avoid public political activity in all Sertoma elections while acting in an official CT training capacity.

Section 10 Administrative

Awards and Incentives

Responsibilities for Administering the Incentives and Recognition Program. The Directors will be responsible for submitting recipients of all Regional Awards to Sertoma Headquarters. Each award notification must be postmarked by the date established by the Board in the award guidelines. The staff will administer all Sertoma awards, including Service to Mankind, Sertoman of the Year, and authorized Presidential awards.

Award Adjustment Guidelines

This section was suspended through fiscal year 2011-12 by the Board pending review and update to procedures by Board Policy committee

Administrative Staff

Non-Discrimination Policy.

Employment on Sertoma staff is open to all persons regardless of race, color, religion, gender, national origin, age, political affiliation, sexual orientation or disability.

Executive Director.

The Executive Director is directly responsible to the Board of Directors and to the Executive Committee for the performance of the headquarters staff.

The Executive Director is responsible for the administration and management of all organizational assets, activities and programs, including leadership training, research and planning, divisions, laws and regulations, and the duties and compensation of employed personnel, as well as out-sourced services and contract labor.

The Executive Director, being accountable for management of organization affairs and the conduct of its operation, is responsible for the maintenance of sound public relations on behalf of the national organization as an agent of the Board of Directors. Any activities undertaken in furtherance of good public relations for Sertoma and its divisions shall be consistent with its basic instruments, purposes and policies. Any publicity concerning the national organization, both internal and external, shall be issued in the name of the President, or the Board of Directors, or the Corporation. While the Executive Director is not responsible for public relations or publicity for divisions or clubs, that individual may advise the Officers thereof concerning publicity and public relations matters.

- **Executive Director Hiring and Evaluation.**
Only the Board of Directors may hire an Executive Director. An annual evaluation of the Executive Director shall be conducted by a Review Committee and process as defined in the employment agreement with the Executive. The evaluation will take place prior to the Annual Convention. With the input of the Executive Director, evaluation goals will be determined with the Executive Committee prior to the start of each fiscal year.
- **Executive Director Termination.**
With cause, the Executive Committee may, by unanimous vote and prior notification of the Board, discharge the Executive Director.
Without cause, the Board of Directors may exercise contract termination rights with a two-thirds (2/3) vote, or may by a two-thirds (2/3) vote give the Executive Director no less than ninety (90) days notice that the existing employment contract will not be renewed at the end of its term.

Staff Positions.

The Executive Director has authority to hire, within budget limitations, such additional staff (as defined in the employment agreements) as may be necessary for the efficient operation of the headquarters office. The personnel so hired will be assigned such responsibilities as the Executive Director may direct. The Executive Director may also

appoint senior staff to perform the duties of the Executive Director in his or her absence and any other duties assigned by the Executive Director. This appointment is in addition to his or her regular duties.

- Staff Termination. The Executive Director, through the authority delegated by the Board of Directors, has authority to terminate members of the staff. Senior management staff shall be given at least thirty (30) day's notice before termination.
- Staff Responsibilities. The staff, under the direction of the Executive Director, is responsible for all assets of the organization, the overall administration and management of the organization, carrying out its established policies, assisting the Board in developing new programs for the volunteers (members), and providing the Board with the tools and assistance necessary for carrying out those programs.

Publications & Communications

Responsibility and Authority.

The Executive Director is responsible for the public relations and communications strategies of the organization. The Executive Director or his or her assignee has editorial control of all public relations and communications activities to assure each is consistent with the basic instruments, purposes and policies of the organization.

Local club stories and articles provided for publication or posting may be freely edited by the editor, and such stories will be used when appropriate and if space is available. The number and frequency of publications provided each year is determined by the Executive Director and approved as a portion of the budget process by the Board of Directors.

Extra copies or subscriptions of each publication, if available, may be purchased from Sertoma Headquarters for an amount determined by staff, not to exceed the cost of the publication plus the cost of shipping.

Manuals.

Manuals will be updated annually to reflect all legal, policy, and procedural changes. Updated manuals are available to each club through digital or printed means. Staff, based upon the scope of the annual updates and delivery methods, will determine costs.

Sertoman Magazine.

- President's Message. The President of Sertoma will have the privilege to provide a message for each issue. A minimum of one half (1/2) page will be made available for this messages in each issue.
- President's Biography. A biography of the incoming national President should appear in the magazine early in the fiscal year.
- Obituaries. Obituaries will appear upon the death of current Board members, current District Governors, Past National Presidents. Sertoma headquarters will list deaths of other Sertomans upon receipt of such information. Such a column shall indicate the name of the deceased Sertoman and their city and state of residence.

- Candidate Biographies. Biographies of all candidates for national office must be limited to their actual experience in Sertoma, length of Sertoma service and principal occupation. Other information will be included as requested by the Executive Director or its assignee. No paid advertising for candidates in the magazine is permitted.
- Annual Report. After the annual audit, an Annual Financial report shall be published in the Sertoman magazine.
- Mailing lists will be purged of deceased and inactive Life Members and deleted members prior to each mailing.

Miscellaneous

Membership Lists. All or part of the membership lists/ mailing labels of Sertoma may be provided for a reasonable sum to Sertoma Clubs or members. The use of said lists shall be limited to the promotion of Sertoma and Sertoma activities. All requests for the purchase of membership lists must be in writing to and approved by the Executive Director. Requests must describe the proposed use of said lists.

Email Distribution of Service

- Sertoma will provide, free of charge, a text only email on behalf of a regional convention or candidate to any group of members requested.
- Sertoma will provide, for a charge of \$30 an email on behalf of a regional convention or candidate, an email blast that includes pictures and graphic layouts. This charge is to cover the staff time required to layout the email. The email must be submitted according to specifications as determined by staff.
- The emails will show as being sent from an individual's personal email account, not Sertoma's email address. All replies to this email will also be directed back to an individual's personal email account.
- Email messages will be reviewed at Sertoma headquarters.
- A regional convention or candidate may send out three emails in total with a cost for each email unless identical in content.
- The emails will be sent out during the three quarters prior to the event, i.e. one email could go 6 months prior to the event, one 3 months prior to the event, and the last one 1 month prior to the event. No more than one can be in a fiscal quarter.
- All requests for an email to be sent must be received at Sertoma headquarters at a minimum of 1 month prior to the need to be sent out.
- All emails will be sent out around the normal Sertoma schedule for the Sertoma News Service, Presidential messages, etc.

Fundraising. Excluding the restrictions noted for Conventions, Sertoma Clubs and members (on behalf of clubs) may solicit other clubs and members for the purposes of supporting official club-sponsored fundraisers. Mailing lists will not be provided or sold by Sertoma for this purpose.

Sertoma Clubs and members may use the Sertoma name and logo in conjunction with official club-sponsored fundraising projects. All such uses shall be in good taste and in keeping with common business and moral standards of the community and of Sertoma.

Use of the Sertoma name or logo on any picture, object, merchandise, book, clothing item, etc., for the purpose of generating profit for any person or entity other than as outlined above and by Sertoma is expressly prohibited.

No Sertoma Club shall solicit funds or participate in any fundraising endeavor without clearly identifying the club's name in conjunction with the project.

Temporary Power of Attorney. The Board has authorized the Sertoma Executive Director to issue a temporary power of attorney in writing to an individual as needed to finalize charitable transactions.

Postage Imprest Fund. Sertoma postage or United Parcel Service, or any parcel service which is on the account of Sertoma Headquarters, will be limited to Sertoma business only. The Executive Director may maintain, at his/her discretion and if deemed necessary and for the purpose of providing, at the cost of the employee, postage and mailing of personal items for employees of Sertoma Headquarters.

Telephone Directory Advertising. Sertoma will not support advertising in the telephone directories (yellow pages) to identify the location and telephone number of the Sertoma Headquarters Office.