

FRANCISCAN MINISTRIES BOARD

POLICY MANUAL INDEX

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FRANCISCAN MINISTRIES BOARD

BOARD POLICY #101

POLICY TITLE: CODE OF CONDUCT AND ANNUAL DISCLOSURE

The Franciscan Ministries Board (FMB) commits itself and its Directors to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Directors of the Board.

1. Directors must represent unconflicted loyalty to the interests of the Franciscan Ministries. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interests of any Board member acting as a consumer of Franciscan's services.
2. Directors must avoid conflict interest with respect to their fiduciary responsibility.
 - a. There must be no self-dealing or any conduct of private business or personal services between any Board member and Franciscan Ministries except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
 - b. When the Board is to decide upon an issue about which a Director has an unavoidable conflict or interest, that Director shall absent herself of himself without comment from not only the vote but also from the deliberations.
 - c. Directors must not use their positions to obtain employment for themselves, family members, or close associates. Should a Director desire employment, he or she must first resign from the Board.
 - d. Directors will annually disclose (on the attached Disclosure Certificate) their involvements with other organizations, with vendors, or any other associations that might produce a conflict.
 - e. Directors may not solicit or accept, directly or indirectly any gift, gratuity, favor, entertainment, or other item of more than nominal value from a member or other individual who is seeking to obtain or has secured a contractual relationship with Franciscan Ministries.
3. Directors may not attempt to exercise individual authority over Franciscan Ministries except as explicitly set forth in Board policies.
 - a. Directors' interaction with the Executive Directors or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
 - b. Directors' interactions with public, press, or other entities must recognize the same limitation and inability of any Director to speak for the Board except to repeat explicitly stated Board decisions.
 - c. Directors may not use the name of Franciscan Ministries in order to obtain public speaking engagements, in the publications of written materials or any media activity for

personal or professional gain unless specific written permission is given in advance by the Franciscan Sisters of the Poor.

4. Directors will respect the confidentiality appropriate to issues of a sensitive nature.
5. Directors may not engage in any actions or behaviors that are criminal or dishonest, or that bring scandal, notoriety, embarrassment and/or disgrace to Franciscan Ministries. Directors are encouraged to exercise discretion in their personal conduct at all times and to avoid any action that might result in or create the appearance of inappropriate conduct.
6. Directors are encouraged to identify and discuss with the Franciscan Sisters of the Poor any situation that may potentially be viewed as a conflict of interest or other violation of this policy.

FRANCISCAN MINISTRIES BOARD

Disclosure Certificate

Pursuant to the purposes and intent of the Policy and Board's Code of Conduct & Annual Disclosure (the "Policy"), the undersigned does hereby certify the following:

1. That I have received a copy of the Policy of the Board of Directors, and have read and understand it.
2. That I agree to comply with the Policy
3. That I hereby state that I may have the following affiliations or interested, or have participated in the following transactions, which may be considered a dual interest or conflict of interest regarding Franciscan Ministries.
 - I. List all business relationships of yours, a member of your family or business associate which Franciscan Ministries has a relationship or transactions which might be considered a duality of interest or possible conflict of interest.

() None

- II. Identify all organizations or business of which you are a director, officer, trustee or agent in which you, a member of your family or your business associates have a controlling interest which may compete or otherwise may be in conflict with Franciscan Ministries

() None

- III. List any gifts, gratuities, or entertainment received by you or any member of your family that might influence your judgment or actions concerning the business of Franciscan Ministries.

() None

- IV. List and describe all investments held by you and your family which may be construed as a possible conflict of interest with Franciscan Ministries.

() None

- V. At any time a matter comes before the Board of Directors, or Committee of the Board, in such a way as to give rise to such a duality of interests or potential conflict, whether or not previously disclosed by the written statement, I agree to disclose this prior to action, abstain from voting, and if determined by the Board, to withdraw from the meeting.

Franciscan Ministries Board of Directors

Date

FRANCISCAN MINISTRIES BOARD

BOARD POLICY #102

POLICY TITLE: RECORD RETENTION

Franciscan Ministries Board and its individual ministries will maintain complete, accurate and good quality records. This policy relates to a variety of records including board, administrative, financial, personnel, and residents. Records and documents outlined in this policy includes paper, electronic files (including e-mail) and voicemail records regardless of where the document is stored, including network servers, desktop or laptop computer and handheld computers and other wireless devices with text messaging capabilities.

An employee of the individual Franciscan Ministries shall not knowingly destroy a document with the intent to obstruct or influence an "investigation or proper administration of any matter within the jurisdiction of any department agency of the United States... or in relation to or contemplation of such a matter or case." If an official investigation is underway or even suspected, document purging must stop in order to avoid criminal obstruction.

1. Corporate/organizational records will be kept permanently and stored in the Corporate Record File. The records include:
 - Incorporation Documents including Articles of Incorporation, Code of Regulations and related documents.
 - Tax-exemption documents including application for tax exemption, IRS determinations letter, and related documents.
 - Board and Committee meeting documents including agendas, minutes, policies and related documents.
 - Insurance claims.
2. Financial records will be kept in a timely manner as indicated below and stored in the Corporate Record File.
 - Year end Treasurer's financial report/statement: **Permanent**
 - Year end audited/reviewed financial statements: **Permanent**
 - Treasurer's reports, periodic: **3 years**
 - Hard copy and/or computerized Bank statements: **7 years**
 - Cancelled checks: **7 years. Except for major/important items (capital and other items over \$10,000) which are kept permanently.**
 - Check registers, investment statements, and related documents: **7 years**
 - Annual information returns (IRS Forms 990): **7 years**
 - Funding Source Records/Grants/Contracts: **7 years**

3. Personnel records will be kept **7 years past termination** in the Administrative Personnel Record File.
 - All items from the employee file relating to employee's participation in employee benefit plans will be kept for **7 years past the date at which the employee ceases to have a benefit due under the plans.**
 - Employment applications will be kept for **3 years.**
 - Employment Medical Files: **30 years**
 - Employee Worker's Compensation Files: **30 years**
 - Employee Grievance Proceedings: **7 years after decision**
 - I-9 (Immigration Forms): **3 years or 1 year after termination**
4. Administrative records will be kept in a timely manner as indicated below and stored in the Executive Director Record File.
 - Training Manuals: **While active + 3 years**
 - Correspondence – major, legal or important matters: **Permanent**
 - Correspondence – general: **2 years**
 - Incident/accident reports and claims: **Current year + 6 years**
 - Legal claims/grievances, settled cases: **While active + 10 years**
 - Final judgments, settlements, court dates and orders: **While active + 10 years**
 - Expired insurance certificates: **Permanently**
 - Insurance policy: **Permanently**
 - Resident's charts – inactive: **7 years**
5. A permanent record of all destroyed documents will be kept in the Executive Director's Office. The record will contain the names of the records and dates destroyed.

FRANCISCAN MINISTRIES BOARD

BOARD POLICY #103

POLICY TITLE: WHISTLEBLOWER

Introduction

Franciscan Ministries requires all of the Ministry's staff, board members, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of a Franciscan Ministry, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. Set forth below is our policy with respect to reporting good-faith concerns about the legality of propriety of the Ministry's actions and/or plans.

Reporting of Concerns or Complaints

It is the responsibility of all staff, board members and volunteers to comply with the Ministry's policies and applicable law and to report violations or suspected violations in accordance with this Whistleblower Policy.

Confidentiality

Franciscan Ministries will treat all communications under this policy in a confidential manner, except to the extent necessary 1) to conduct a complete and fair investigation, or 2) for review of the Ministry's operations by its Board, Audit Committee, independent public accountants, and legal counsel.

Retaliation

Franciscan Ministries will not take negative or adverse actions against any employee or individual for making a good-faith report of a possible violation of its policies, procedures or applicable law, even if the report is mistaken, or against any employee or individual who assists in the investigation of a reported violations. Retaliations in any form will not be tolerated. Any act of alleged retaliations should be reported immediately and will be promptly investigated. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within our Ministries prior to seeking resolution outside the organization.

How to Report Concerns or Complaints

Employees and others may communicate suspected violations of policies, applicable law, or other wrongdoing or alleged retaliation by contacting their Executive Director. Reports may also be made directly to the Chairperson of the Board of Directors. If someone wishes to remain anonymous, it is not necessary that they give their name or position in any notification. Whether or not they identify themselves, for a proper investigation to be conducted, they must provide their Executive Director with as much information as they can, sufficient to do a proper investigation, including where and when the

incident occurred, names and titles of the individuals involved, and as much other detail as can be provided.

Illustrative Types of Concerns

The following is a non-exhaustive list of the kinds of improprieties that should be reported:

- Supplying false or misleading information on Franciscan Ministries' financial or other public documents, including its Form 990
- Providing false information to or withholding material information from the Franciscan Ministries' Board or auditors
- Destroying, altering, mutilating, concealing, covering up, falsifying, or making a false entry in any records that may be connected to an official proceeding, in violation of federal or state law or regulations
- Altering, destroying, or concealing a document, or attempting to do so, with the intent to impair the document's availability for use in an official proceeding or otherwise obstructing, influencing, or impeding any official proceeding, in violation of federal or state law or regulations
- Embezzling, self-dealing, private inurement (i.e., earning inuring to the benefit of a director, officer, or senior management) and private benefit (i.e., assets being used by anyone in the organization for personal gain or benefit)
- Paying for services or goods that are not rendered or delivered
- Using remarks or actions of a sexual nature that are not welcome and are likely to be viewed as personally offensive, including sexual flirtations; unwelcome physical or verbal advances; sexual propositions; verbal abuse of a sexual nature; the display of sexually suggestive objects, cartoons, or pictures; and physical contact of a sexual or particularly personal nature.
- Using epithets, slurs, negative stereotyping, and threatening, intimidating, or hostile acts that relate to race, color, religion, gender, national origin, age, or disability
- Circulating or posting written or graphic material in the workplace that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, nationality, age, or disability
- Discrimination against an employee or potential employee due to a person's race, color, religion, sex, sexual orientation, national origin, age, physical or mental impairment, or veteran status
- Violating Ministry's policies, including the Code of Conduct Policy, Harassment Policy, or Equal Employment Opportunity Policy
- Facilitating or concealing any of the above or similar actions

Questions

For any questions regarding this policy, please contact your Executive Director.

FRANCISCAN MINISTRIES BOARD

BOARD POLICY #104

POLICY TITLE: AUDIT AND TAX

The Audit Committee of the Board of Directors of Franciscan Ministries has the oversight responsibility, authority, and specific duties described below.

Responsibility

The Audit Committee will assist the Board in fulfilling its oversight responsibilities with respect to (1) the audit of the Ministries' books and records and (2) the system of internal controls that the Board has established. The Audit Committee should have a clear understand with the outside auditors that they must maintain an open and transparent relationship with the Audit Committee, and that the ultimate accountability of the outside auditors is to the Board and Audit Committee. The Audit Committee will make progress reports to the Boards, as appropriate.

Authority

Subject to the prior approval of the Board, the Audit Committee has the authority to investigate any matter or activity involving financial accounting and financial reporting, as well as the Ministries' internal controls. In that regard, the Audit Committee will have access to the Board's external professionals to render advice and counsel in such matters.

Specific duties

In carrying out its oversight responsibilities, the Audit Committee will

- Review and reassess the adequacy of this policy periodically and propose changes to the Board for approval.
- Review with the Executive Directors and outside auditors the Ministries' accounting and financial reporting controls. Obtain annually in writing from outside auditors a letter regarding the adequacy of such controls.
- Review with the Executive Directors and outside auditor's significant accounting and reporting principles, practices, and procedures applied by the Ministry in preparing its financial statements. Discuss with the outside auditors their judgments about the quality – not just the acceptability – of the organization's accounting principles used in financial reporting.
- Review the scope and general extend of the outside auditors' annual audit. Such review should include an explanation from the outside auditors of the factors considered by the accountants in determining the audit scope, including the major risk factors. The outside auditors should confirm to the Audit Committee that no limitations have been placed on the scope or nature of their audit procedures. The Audit Committee will review annually with the Ministry Executive Directors the fee arrangements with the outside auditors.

- Inquire as to the independence of the outside auditors and obtain from the outside auditors, at least annually, a formal written statement delineating all relationships between the outside auditors and the organization, including other consulting work being performed by the outside auditors for the various Ministries.

At the completion of the annual audit, review with the Board, the Ministry Executive Directors, and the outside auditors the following:

- Results of the audit of the financial statements and the related report therein and, if applicable, a report on changes during the year in accounting principles and their application.
- Significant changes to the audit plan, if any, and serious disputes or difficulties encountered during the audit. Inquire about the cooperation received by the outside auditors during their audit, including access to all requested records, data, and information. Ask the outside auditors about any disagreements with the Ministry Executive Directors that, if left unresolved, could have caused them to issue a nonstandard report on the Ministry's financial statements.
- Other communications as required to be conveyed by the outside auditors by Statement of Auditing Standards 61, as amended by SAS 90, relating to the conduct of the audit. Further, receive a written communication provided by the outside auditors concerning their judgment about the quality of the accounting principles as outlined in SAS 61 and amended by SAS 90, and confirm that they concur with the individual Executive Directors' representation regarding audit adjustments.

Discuss with the Board chair and the individual Executive Directors the quality of the organization's financial and accounting practices. Also, elicit the comments of the individual Executive Directors regarding the outside auditors' responsiveness.

Meet with the Board Chair and individual Executive Directors and the outside auditors to discuss any "material" or "serious" recommendations that the outside auditors may have. Typically, such recommendations will be presented by the outside auditors in the form of a "letter of comments and recommendations." The Audit Committee should review the Ministry Executive Directors' response to the letter and receive follow-up reports on action taken.

Recommend to the Board the selection, retention, or termination of the outside auditors and/or tax preparer.

Review the 990 and all tax forms prior to filing with the Internal Revenue Service and the State of Ohio, ensuring that the full Board is also provided copies of the filings prior to submission and that any questions by members are addressed.

Generally, as part of the review of the annual financial statements, receive and oral report (at least annually) from the individual Executive Directors regarding legal and regulatory matters that may have material impact on financial statements.

FRANCISCAN MINISTRIES BOARD

BOARD POLICY #105

POLICY TITLE: GIFT ACCEPTANCE

Franciscan Ministries has established a development program to further the charitable purposes and mission of the Ministries, and to ensure responsible stewardship. Responsible stewardship includes solicitation materials that are accurate and correctly reflect Franciscan Ministries' mission and use of solicited funds, and ensuring the contributions are used in accordance with donors' intentions.

1. Gifts to Franciscan Ministries may take a variety of forms. May are outright gifts by living donors either on a one-time or a periodic basis. A variety of other types of gifts are possible gifts.
2. Franciscan Ministries reserves the right to refuse any gift that it believes is not in the best interests of its Ministries. In addition, gifts to a Ministry may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Ministry from freely and effectively employing the transferred assets or the income derived there from, in furtherance of its exempt purposes.
 - a. Cash: The Ministry will accept an outright gift of cash of any amount. Gifts of \$10,000 or greater made on behalf of the Ministry to establish name recognition of an individual or family will be tracked internally with monies either being deposited into the Ministry's existing endowment fund or used for a specific program or purpose.
 - b. Publicly-Traded Securities: Franciscan Ministries will accept an outright gift of publicly-traded stocks and bonds at fair market values as determined under Internal Revenue Service rules. As a general rule, gifts of publicly-traded securities will be sold as soon as possible with the proceeds from the sale, after commissions and expenses if any, being either deposited into the Ministry's savings account or used for a specific program or purpose.
 - c. Tangible Personal Property: Tangible personal property may be accepted as a gift. The property must be saleable and the donor must agree that the property can be sold unless Franciscan Ministries agrees to use the property for a purpose related to its exempt purposes. The donor will be responsible for obtaining a qualified appraisal complying with the IRS regulations for the property. Franciscan Ministries will be given a copy of the appraisal.
 - d. Life Insurance Policies: Franciscan Ministries may accept gifts of life insurance policies. Prior to accepting a policy requiring ongoing premium payment, the ministry and the donor must agree in writing on arrangement for the payment of such premiums.

- e. Gifts by Will or Trust: Franciscan Ministries may be designated as the beneficiary of a bequest or gift by the terms of the donor's will or by a revocable or irrevocable trust. Sample bequest language for restricted and unrestricted gifts will be made available to donors and their attorneys to insure that the bequest is properly designated.
- 3. A Gift Acceptance Task Force may be appointed, as necessary, by the Board Chair to review and give advice for special gifts, including those not specifically mentioned above, that may be given to a Ministry.
- 4. The Executive Director of the individual ministry has the overall authority to handle inquiries, negotiate with donors, assemble documentation, retain experts and technical consultants, and execute agreements on behalf of the Ministry.
- 5. Franciscan Ministries recognizes the paramount role of donors and their gifts in achieving its charitable purposes. In carrying out the development program, staff will recognize and acknowledge donors in appropriate ways both publicly and privately subject to the confidentiality provisions of #6 below. The individual Ministry staff will establish appropriate ongoing programs and systems for educating and informing donors and prospective donors about its activities, and the charitable needs of the communities served by the Ministry.
- 6. All agreements with donors and all information concerning donors and prospective donors shall be held in strict confidence by Franciscan Ministries, subject to legally authorized and enforceable request for information by governing agencies and courts. All other requests for or releases of information concerning a donor will be honored or allowed only if permission is obtained from the donor prior to the release of such information. Donors are assured confidentiality if requested and where allowed by law.

FRANCISCAN MINISTRIES BOARD

BOARD POLICY #106

POLICY TITLE: INVESTMENTS

Each of the Franciscan Ministries will maintain, when possible, an investment account which will include a cash reserve for contingencies. These funds will be invested in interest-bearing accounts consisting of certification of deposit and other income producing securities. These investments should be readily convertible to cash and stated at their market values.