

# **LINGUISTIC SOCIETY OF AMERICA FINANCIAL AND ADMINISTRATIVE POLICY AND PROCEDURES MANUAL**

## **INTRODUCTION**

This Financial and Administrative Policy and Procedures Manual describes the financial and administrative policies and procedures of the Linguistic Society of America (“the Society”). The Executive Committee approved the original edition of this manual on 8 May 2005. It is maintained and updated in compliance with all relevant requirements of funding sources and federal agencies. The Executive Committee must approve any amendments to the policies and procedures.

The Executive Committee has the ultimate responsibility and authority for all policy decisions. The Secretary-Treasurer, as the chief fiscal officer, is ultimately responsible for the implementation of and the adherence to the financial and administrative policies and procedures and for reviewing them annually. The Executive Director has daily responsibility for the Society’s implementation of and adherence to the policies and procedures. The Secretary-Treasurer and the Executive Director will review this manual on an annual basis and propose changes in the policies and procedures as needed.

## **1. ACCOUNTING SYSTEM**

**Policy:** The Society uses the accrual method of accounting. The fiscal year is 1 October through 30 September.

**Procedure:** The Society adheres to all generally accepted accounting principles for the accrual methods. Income from reimbursable federal grants is recognized as it is earned. Monthly financial statements are prepared on a cash basis. Accruals for Accounts Receivable, Accounts Payable, deferred dues and prepaid expenses are recorded in the quarterly financial statements.

## **2. BOOKS OF ACCOUNTS**

**Policy:** The following books of accounts are maintained:

- General Ledger
- Accounts Receivable
- Accounts Payable
- Cash Receipts
- Cash Disbursements
- Payroll Journal

**Procedure:** Under the supervision of the Executive Director, the bookkeeper is responsible for maintaining all books of accounts including the reports from the payroll journal, which is maintained under the direction of the Executive Director by an off-site payroll service that processes payroll on a semi-monthly basis.

The general ledger, cash receipts, cash disbursement journals, accounts payable and accounts receivable are maintained electronically using accounting software. These books of accounts are posted and reconciled monthly by the bookkeeper. The Secretary-Treasurer and other members of the Finance Committee are sent the statements on a quarterly basis by electronic mail and have the authority to examine all books of accounts at any time.

### **3. CHART OF ACCOUNTS**

**Policy:** A Chart of Accounts is maintained and kept current to accurately reflect categories of expenditures, revenue, assets and liabilities, and net assets (unrestricted, designated and restricted).

**Procedure:** The Secretary-Treasurer and Executive Director may add to the Chart of Accounts (or delete accounts) as needed. The Executive Director is authorized to approve payments and assign a code for the account to which each revenue and expense item is booked in accordance with the Chart of Accounts. This is done using a Payment Authorization Form which is attached to the supporting documentation for all payments.

### **4. FINANCIAL STATEMENTS**

**Policy:** Quarterly financial statements are prepared in consultation with an outside Accountant and sent to the Executive Director and Secretary-Treasurer for review. The Executive Director provides any applicable explanations of significant variances to prior year or budget and significant anticipated year-end variances. Copies will be made available to any member of the Executive Committee upon request.

**Procedure:** On a monthly basis the bookkeeper prepares the Financial Statements which include:

- Balance Sheet
- Statement of Revenue and Expenditures for all funds
- Trial Balance
- Bank account reconciliations
- Investment account reconciliations

Capital depreciation, electronic transfers, non-bank transactions and all other account adjustments are recorded in the books by the bookkeeper, in consultation with the Executive Director as appropriate, through general journal

entries and are reflected in the Financial Statements. Tables allocating salary and fringe benefits to cost centers accompany the statements.

The Statement of Revenue and Expenditures for all funds and for each cost center include year-to-date totals and comparisons with both prior year result and the current budget.

The Balance Sheet reflects the most recently reconciled balances in each account.

Where applicable, the Executive Director is responsible for managing the federal grant receivables and expenditures, and preparing any reports, or other documentation for submission to each funding agency.

## **5. BANK ACCOUNT MANAGEMENT: OPENING/CLOSING ACCOUNTS**

**Policy:** Checking, savings and other accounts at financial institutions are opened and closed only at the direction of the Executive Committee.

**Procedures:** Pursuant to a resolution by the Executive Committee, account agreements are established, terminated or amended to change the signatories on the accounts. Signatories are revised when there is a change in office.

## **6. BANK ACCOUNT MANAGEMENT: PREPARATION AND SIGNING OF CHECKS**

**Policy:** Those persons who are authorized by the Executive Committee shall follow the established check signing procedures.

**Procedures:** The account agreement designates the following individuals with signatory power: the Secretary-Treasurer, the President, and the Executive Director. No one can sign a check payable to him/herself. Checks are issued to payees only after they have been signed. Checks in excess of \$20,000 must be co-signed by at least two of the three authorized signers.

The Executive Director reviews invoices to verify payments are consistent with budgets and financial policies and procedures and authorizes payment prior to the preparation of checks or the presentation of checks for signature. The Administrative Assistant checks the invoices to prevent duplicate payments and prepares the checks for signature.

Copies of voided checks are included in order among the checks presented for signature. Voided checks are kept and filed numerically.

Unused checks are securely stored with other financial records. Unpaid invoices are maintained by the Administrative Assistant. Paid invoices are filed according to fiscal year.

## **7. BANK ACCOUNT RECONCILIATION**

**Policy:** All bank accounts are reconciled monthly.

**Procedures:** The bookkeeper is responsible for reconciling all bank accounts and presenting the reconciliation reports with the bank statements to the Executive Director. Bank statements and bank reconciliation reports are retained for each account and filed with the monthly financial reports. Cancelled checks are retained for seven (7) years as required by law and as outlined in Addendum B, Record Retention and Document Destruction Policy.

The Executive Director opens the bank statement upon receipt and reviews debits, credits and bank accounting.

The Balance Sheet in the Financial Statement reflects the most recently reconciled balance in each account.

## **8. ACCOUNTS RECEIVABLE**

**Policy:** The Society promptly invoices for services rendered, and for grant and contractual reimbursements. An accounts receivable ledger is maintained and reviewed quarterly.

**Procedure:** The bookkeeper maintains the accounts receivable ledger and enters all receivables in the accounting reports. The bookkeeper advises the Executive Director of overdue accounts receivable in excess of \$100.00 that are outstanding for longer than sixty days after the original payment due date. Requests to purchase services from concerns not current are normally refused until full payment is received. The bookkeeper sends final notices and the Executive Director determines whether any account balances are not collectible.

## **9. PURCHASING & ACCOUNTS PAYABLE**

### **A. Credit Cards**

**Policy:** The LSA issues corporate credit cards to selected individuals for purchases associated with official LSA business that cannot be made via other mechanisms. The following positions within the LSA are authorized to make use of an LSA corporate credit card:

- The Executive Director
- The Meetings Manager

Procedure: Purchases made via credit card must be consistent with the approved operating budget and the policies outlined in this manual. Monthly credit card statements are reviewed and expenses coded by the Executive Director to ensure compliance with this procedure. In the case of credit card purchases made by the Executive Director, the Secretary-Treasurer will have full access to the LSA's credit card account information to ensure compliance.

## **B. Accounts Payable**

**Policy:** Pay invoices within 30 days after their issuance.

**Procedure:** The Executive Director maintains the Accounts Payable in-box. The Executive Director reviews the invoices to verify that payments are consistent with the approved budget and financial policies and procedures, and authorizes payment prior to the preparation of the payment mechanism (check or electronic funds transfer), and the presentation of any checks/forms for signature, assigning each the correct account from the chart of accounts. The bookkeeper checks the invoices to prevent duplicate payments, enters the payment transactions into the general ledger and prepares the checks/forms for payment. After the checks/forms have been signed, the bookkeeper transmits payment and the Administrative Assistant files the appropriate documentation and paid receipts.

## **10. PAYROLL SYSTEM**

**Policy:** The Society maintains a payroll system recommended by the Executive Director.

**Procedure:** The Executive Committee sets and approves the Executive Director's salary. In consultation with the Secretary-Treasurer, the Executive Director proposes the collective salaries of other staff members for consideration by the Finance Committee. The total of salaries paid during the year must remain within the annually budgeted amount approved by the Executive Committee.

The Executive Director is responsible for enrolling all new employees with the payroll vendor service as well as enrolling new employees for stated benefits. The Executive Director is the direct supervisor for all other Secretariat employees as well as student interns, temporary help, part-time help, and volunteers with the delegation of supervision over specific projects and tasks to other staff as needed.

Exempt salaried employees are paid based on the expected hours worked per the Personnel Policy Manual and agreed to in the letter of hire of the stated salary and time. Non-exempt salaried employees are paid based on the expected hours worked per the Personnel Policy Manual and agreed to in the letter of hire of the stated salary and time. Timesheets are completed with allocations to designated costs centers on a semi-monthly basis.

Each employee completes leave requests for any annual leave used, subject to approval by the Executive Director. Approved leave is automatically deducted at the time of payroll processing.

All employees are paid semi-monthly through checks prepared by the payroll service and made via direct deposit. Paydays are the 15<sup>th</sup> and last day of the month (or a day prior when one of these dates coincides with a weekend or a holiday).

At least 48 hours before each payday, the Executive Director processes the payroll to the payroll service. The payroll service calculates the total payroll, accesses this amount plus all fees from the Society's bank account, and remits the Federal, state and unemployment taxes.

Each month, the bookkeeper reconciles the employees' pay amounts recorded on the payroll service's timesheet reports with the general ledger, allocating salary and fringe benefit expenses to the assigned cost centers, and confirming that tax liabilities and fees are paid.

## **11. SICK AND ANNUAL LEAVE**

**Policy:** Full-time and part-time permanent employees accrue annual and sick leave based on the Personnel Handbook. No employee may carry over more than 32 days (256 hours) of accumulated annual leave into the next fiscal year. The payroll vendor maintains a ledger of annual and sick leave for all employees which is monitored and verified by the Executive Director.

**Procedure:** At each leave, employees record the approved leave they have used on their timesheets. Up-to-date accrual balances are included on each employee's paystub for each pay period.

As a part of the annual review of financial activities and the preparation of the audit report, the Auditor routinely reviews the leave ledgers and records all unused annual leave under the maximum of 32 days allowed. This amount is reported on the financial statement annually.

## **12. MAIL MANAGEMENT/CASH RECEIPTS**

**Policy:** The incoming mail is opened by the Executive Director and any checks are distributed daily to the Administrative Assistant for the next deposit. Such checks are entered into the general ledger by the bookkeeper who prepares a deposit slip for review by the Executive Director. Bank deposits are made at least weekly by either the Administrative Assistant or the Executive Director. Hard copy payment forms with credit card information are retrieved by the Executive Director and counter-signed before forwarding them to the Administrative

Assistant for processing. Copies of all cash reports and deposit slips are filed in hard copy.

### **13. PROPERTY AND EQUIPMENT**

**Policy:** The Society maintains a list of all equipment and furnishings.

**Procedure:** A list of all equipment and furnishings with serial or other identification numbers is maintained by the Society. Each year, the list is reviewed by the Executive Director and updated as needed in preparation for the annual audit.

### **14. BUDGETING OF FUNDS**

**Policy:** The Executive Committee approves the Society's annual operating (general funds) budget. The Executive Committee approves adjustments to the budget as needed during the fiscal year.

**Procedure:** After the conclusion of the second quarter of the fiscal year, the Secretary-Treasurer and the Executive Director prepare an initial draft of the annual budget. The budget is then considered by the Finance Committee. After review and discussion, the Finance Committee may recommend changes. These changes are then incorporated into the final draft of the budget for presentation to and approval by the Executive Committee at its Spring meeting.

The Executive Director and Secretary-Treasurer manage and oversee the budget. They report to the Executive Committee about actual expenses and revenues and significant differences from budget at the Executive Committee meetings.

### **15. RESTRICTED FUNDS**

#### Federal Grants and Contracts

The LSA Secretariat will adhere to the requirements of the federal government, as stipulated in the Code of Federal Regulations (Title 2: Grants and Agreements, Part 200—Uniform administrative requirements, cost principles, and audit requirements for federal awards, Subpart E—Cost Principles), when conducting activities pursuant to grants and contracts awarded to the LSA. All personnel responsible for oversight and implementation of any federal grant or agreement will be provided with a copy of the relevant sections of the CFR for the purposes of ensuring compliance with this policy, such that all costs are necessary, reasonable, allocable and allowable. Any purchases made under federal grants are subject to advance approval by the Executive Director of the LSA, in the form of a signed check request or a charge to the LSA corporate credit card account controlled by the Executive Director. The Secretary-Treasurer

of the LSA will periodically and independently review credit card statements of the LSA, and also review quarterly financial statements prepared by the Secretariat for each federal grant and contract for which any expenditures have been made in the prior quarter to ensure that all federal requirements are met.

### **Other Restricted Funds**

**Policy:** The Society has a formal Gift Acceptance Policy governing the disposition of charitable contributions to the LSA (Addendum F). The Society maintains a number of restricted charitable contribution funds established to advance special activities of the Society. In consultation with the Finance Committee, the Executive Committee may increase or reduce the number of restricted funds as needed.

**Background:** The Society currently maintains the following restricted funds accepting ongoing donations to support special activities: the Ken Hale Student Fellowship Fund, the Program Development and Committee Activities Fund, the Publications Fund, , the Yuki Kuroda Fellowship Fund, the, the Subtitle Podcast Fund, and the Financial Assistance and Student Support Fund.

The money in each of the funds is from member and other contributions or special gifts to the Society. In addition, the LSA General Fund is an unrestricted account to which donors can contribute.

The **Linguistic Institute** Fund is a successor to previous restricted funds and investment accounts. Earnings from this account are used to support a planning grant to the host site of an Institute and the Edward Sapir Chair.

The Ken Hale Chair Memorial Fund was also set up to provide an endowed chair at each Linguistic Institute. It has since been split into two funds, with the second fund supporting a student fellowship at each Institute.

All committees are invited to submit annual budget requests to the EC for consideration as part of the general operating budget. Where appropriate, earnings from the Program Development Fund may be withdrawn from the investment accounts for this purpose.

At its May 2009 meeting, the LSA Executive Committee approved the following action items regarding its restricted funds and investment accounts:

1. To establish a Bloch Fellowship Fund in the initial amount of \$50,000 within the LSA investment accounts. The earnings<sup>1</sup> from this Fund will be used to

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<sup>1</sup> For the purposes of this document, “earnings” is defined as: interest and dividends received on the investments in the restricted fund over the period since the last previous disbursement from the fund. If the net asset value of the fund, exclusive of interest and dividends, has appreciated



support the appointment of a Bloch fellow to attend the Linguistic Institute. This award includes tuition, travel, room and board for the Institute.

2. To establish the McCawley Fellowship Fund in the initial amount of \$35,000 within the LSA investment accounts. The earnings from this Fund will be used to support the appointment of a fellow to attend the Linguistic Institute. The fellow must either be: 1) a graduate student from the University of Chicago; or 2) a graduate student from an Asian country<sup>2</sup>. The Institute committee shall only make one such award for any Institute. This award includes tuition, plus travel, room and board for the Asian student where applicable. Awards will only be made when earnings are sufficient to support the amount needed to cover expenses.

3. To establish the Ken Hale Fund in the initial amount of \$175,000 within the LSA investment accounts. The earnings from this Fund will be used to support the appointment of the Ken Hale Chair to teach at the Linguistic Institute. This professorship includes travel, room and board, and an honorarium that is double the standard amount for other named professors. The award also covers travel, room and board, and an honorarium for a consultant. Awards will only be made when earnings are sufficient to support the amount needed to cover all expenses.

4. To establish the Collitz Fund in the initial amount of \$65,000 within the LSA investment accounts. The earnings from this Fund will be used to support the appointment of the Collitz Professor to teach at the Linguistic Institute. This professorship includes travel, room and board, and an honorarium. Awards will only be made when earnings are sufficient to support the amount needed to cover all expenses.

5. To revise and clarify the stated purpose of the Linguistic Institute Fund, and allocate to the Fund an initial \$200,000 within the LSA investment accounts. The earnings from this Fund will be used to support a planning grant to the institution that is hosting the Linguistic Institute. Funds may also be used to support the appointment of the Sapir Professor to teach at the Linguistic Institute. This professorship includes travel, room and board, and an honorarium. The Sapir award will only be made when earnings are sufficient to support the amount needed to cover all expenses.

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by 10% or more since the last previous withdrawal from principal, up to 5% of the fund may be added to the earnings to be disbursed, with the approval of the Chief Financial Officer.

<sup>2</sup> For the purposes of this fellowship, "Asian country" is defined as: Burma, Cambodia, China (including Taiwan), Indonesia, Japan, Korea, Laos, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

6. To establish a new LSA General Fund within the LSA investment accounts, with a starting balance of \$111,000. Earnings and principal may be withdrawn with EC approval to pay for general operating expenses.

7. To establish a Financial Assistance and Student Support Fund within the LSA investment accounts, with a starting balance of \$30,805. Only earnings may be used for the stated purposes.

8. To establish a Program Development and Committee Activities Fund within the LSA investment accounts, with a starting balance of \$19,029. Only earnings may be used for the stated purposes.

9. To retire all other existing funds and move their assets into one of the above funds. A complete list of all the other funds extant in May 2009 and their disposition may be found in Addendum D of this document.

In 2013, the Executive Committee approved the establishment of two additional restricted funds:

- 1) The Publications Fund – to support open access to LSA publications. The name was changed in 2017 and is now known as the “Open Access Publications Fund.
- 2) “The Ivan Sag Linguistic Institute Fund – to raise money for an endowed student fellowship that would include tuition, travel, room and board. New contributions are no longer being accepted to this fund, as it is fully endowed.

In 2014, the Executive Committee approved the establishment of the Charles Fillmore Student Fellowship and the Fillmore Professorship restricted funds to support awards at the Linguistic Institute. The latter fund was established through a bequest and is not accepting additional contributions. New contributions are no longer being accepted to this fund, as it is fully endowed.

In 2015, the Executive Committee approved the establishment of the Emmon Bach Fund to raise money for an endowed student fellowship that would include tuition, travel, room and board to attend CoLang, the Institute for Collaborative Research. A minimum fundraising goal of \$50,000 was established for this purpose.

In 2016, the Executive Committee approved the establishment of the Ken Hale Student Fellowship, supported by excess funds donated to the Ken Hale Professorship Fund. As a result, new contributions to the **Professorship** Fund are no longer being accepted, as it is fully endowed. Contributions to the **Fellowship** Fund are still being accepted, with the goal of generating earnings sufficient to support providing tuition, travel, room and board for a student to attend the Linguistic Institute.

In 2017, the Executive Committee approved the establishment of the Yuki Kuroda Fellowship Fund to raise money for an endowed student fellowship that would include tuition, travel, room and board for a Japanese student to attend The Linguistic Institute. A minimum fundraising goal of \$85,000 was established for this purpose.

In 2018, the Executive Committee approved the establishment of the Richard T. Oehrle Memorial Lecture Fund for an endowed lectureship that would include travel, lodging and per diem for the selected speaker to present at the European Summer School in Language, Logic and Information (ESSLLI), and event organized by the Association for Logic, Language and Information (FoLLI).

In 2019, the Executive Committee accepted three restricted contributions to support the following activities:

- The Elizabeth P Dayton Fund – to support a travel award for a sociolinguistics student to attend the LSA Annual Meeting;
- The C.L. Baker Fund – to support an annual award of \$500 to be given to a mid-career syntactician for scholarly achievement;
- The Warren Cowgill Fund – to support a fellowship for a student from traditionally under-represented racial/ethnic group to attend the Linguistic Institute. The amount of earnings will determine the extent of the fellowship award, to potentially include tuition, room and board, and travel.

In 2019, the Executive Committee approved the establishment of the Subtitle Podcast Fund to raise required matching funds associated with an NEH grant of \$199,000. Pursuant to the requirement, a minimum fundraising goal of \$50,000 was established for this purpose.

In 2020, the Executive Committee accepted two restricted contributions from Robert Vago to endow the following awards:

- Victoria Fromkin Prize – to an outstanding graduate student in phonology to help defray expenses associated with attending the LSA Annual Meeting
- Morris Halle Award – to an outstanding early career phonologist to help defray expenses associated with attending the LSA Annual Meeting

In 2021, the Executive Committee accepted a restricted contribution to support the Carol and Dennis Preston Diversity Fund, which would endow the CEDL Diversity Travel Awards to defray the cost for students from under-represented groups to attend the LSA Annual Meeting.

## **16. CAPITAL DEPRECIATION**

**Policy:** The Society maintains a capital depreciation account.

**Procedure:** The Executive Director must approve all equipment purchases over \$100.00. The purchase of equipment, software or related capital improvements costing more than \$1000 is normally made in consultation with the Secretary-Treasurer. All discretionary expenses in excess of \$1,000.00 must be approved in advance by the Secretary-Treasurer. All non-budgeted expenses in excess of \$5,000.00 must be approved in advance by the Executive Committee.

Assets with a value of \$500.00 or more are depreciated across time periods that correspond with the estimated duration of their usefulness, and the purchase of equipment that costs less than \$500.00 is expensed. The Accountant updates the Fixed Assets schedule with a description and date of acquisition or disposition and enters the expense for the depreciation of fixed assets based on this schedule.

Disposition of capital equipment requires the approval of the Secretary Treasurer or the Executive Director.

## **17. RECORDS RETENTION**

**Policy:** The Society maintains financial and other record files per the attached records retention and privacy policies.

**Procedure:** The Executive Director maintains the files of the LSA according to these policies and those required by Internal Revenue Service schedules.

## **18. TRAVEL EXPENSES**

**Policy:** The Society may reimburse members, and will reimburse employees, for expenses incurred in the conduct of Society business during official business trips as defined below, including transportation and per diem. Members traveling on such business are requested to seek other sources of funding where possible to help defray transportation and accommodation expenses; where such funding is not forthcoming, the Society will reimburse expenses up to the limits stipulated below. The normal route for all LSA travel shall be the most economical route; exceptions must be approved in advance by either the Secretary-Treasurer or the Executive Director. It is expected that travel expenses shall not exceed \$700 (U.S) for domestic travel, \$1000 (U.S.) for international travel; exceptions to these limits must be approved in advance by either the Secretary-Treasurer or the Executive Director. The Society may grant an advance of funds to cover expenses for travel on official business.

Where members are entitled to per diems while traveling on official Society business, such per diems will be at federally stipulated rates. Per diems on the first and last days of travel will be at 75% of the standard rate. In addition,

federally stipulated amounts will be deducted from the per diem payment in the case where the Society has paid for a meal or meals for the traveler.

From time to time LSA staff receive hotel and/or airline bonus points as a concession for signing a contract with a property, normally for an Annual Meeting. Such bonus points are to be used, whenever possible, to fund travel of LSA principals to Washington or of LSA staff to offsite locations, as approved by the Executive Director. If no such travel occurs, bonus points will be released to staff for their personal use three months before their expiration.

### **Procedures:**

#### **A. Reimbursement of Travel Expenses of Officers and Members of the Executive Committee**

Members who stand for election to the Executive Committee agree, if elected, to attend 6 committee meetings, 3 in the Spring and 3 in January immediately prior to the Annual Meeting (over the course of a three-year term). The Society reimburses members for travel expenses, including ground transportation (with airfares reimbursed at advanced-purchase economy rates). In addition, the Society pays the hotel directly for sleeping rooms and offers a per diem for meals in accordance with federal guidelines for the days that the committee meets (including pro-rated travel days).

At the Annual Meeting, the President, Vice-President, Immediate Past President, Secretary-Treasurer, and the Student Member(s) of the EC are eligible for LSA-paid housing and per diems for the duration of the Meeting. At-large members of the Executive Committee are eligible for LSA-paid housing and per diems for those days on which the Committee meets. If they must arrive a day early in order to attend meetings of the Finance Committee, members of this Committee are eligible for LSA-paid housing and per diems for that day.

Incoming Executive Committee members, whose terms of office begin at the conclusion of the Annual Meeting, are eligible for LSA-paid lodging if they are required to stay an additional night to attend the Executive Committee Orientation Meeting, but are not otherwise entitled to reimbursement of expenses.

Executive Committee members are requested to seek other sources of funding, where possible, to help defray transportation or accommodation expenses for these meetings. All members of the Executive Committee pay their own registration fees for the Annual Meeting.

Members pay their own expenses and submit a request to the Secretariat for reimbursement of transportation costs. A completed expense form (Attachment A) must be submitted with all receipts when reimbursement is requested, normally within 15 days of completion of travel. The Executive Director reviews

and approves all requests for reimbursement in accordance with the budget and assigns the appropriate account number before the checks are written.

#### B. Reimbursement of Travel Expenses of Members of Program Committee

Members of the Program Committee who travel to another location, for the Fall planning meeting are reimbursed for their transportation, lodging, and per diems at standard rates.

Up to four Program Committee Co-Chairs are eligible for LSA-paid housing and per diems for the duration of the Annual Meeting, and for reimbursement of their travel expenses. Members of the Program Committee other than the Co-Chairs are not reimbursed for travel expenses for the Annual Meeting. The student representative to the Program Committee is eligible for LSA-paid housing for the duration of the Annual Meeting.

Program Committee chairs are requested to seek other sources of funding, where possible, to help defray transportation or accommodation expenses for these meetings. All Program Committee members pay their own registration fees for the Annual Meeting.

Members of the Committee are expected to pay their own expenses and submit a request to the Secretariat for reimbursement of transportation costs, not to exceed \$700 (\$1000 for international travel). For airfares, reimbursement will be at advanced-purchase economy rates. A completed expense form (Attachment A) must be submitted with all receipts when reimbursement is requested, normally within 15 days of completion of travel. The Executive Director reviews and approves all requests for reimbursement in accordance with the budget and assigns the appropriate account number before the checks are written.

#### C. Reimbursement of Travel Expenses of Editor of *Language* and Editor(s) of *Semantics & Pragmatics (S&P)*

The Editors of *Language* and *S&P* are reimbursed for transportation to the Annual Meeting, and for LSA-paid lodging and per diems for the duration of the meeting. In transition years, the incoming and outgoing editors of *Language* and of *S&P* are entitled to such reimbursement for attendance at the Annual Meeting that separates their terms of office. Editors of *Language* and *S&P* pay their own registration fees for the Annual Meeting.

Editors are requested to seek other sources of funding, where possible, to help defray transportation or accommodation expenses for these meetings.

The Editors are expected to pay their own expenses and submit a request to the Secretariat for reimbursement of transportation costs not to exceed \$700 (\$1000 for international travel). For airfares, reimbursement will be at advanced-purchase economy rates. A completed expense form (Attachment A) must be submitted with all receipts when reimbursement is requested, normally within 15

days of completion of travel. The Executive Director reviews and approves all requests for reimbursement in accordance with the budget and assigns the appropriate account number before the checks are written.

#### E. Reimbursement of Travel Expenses of COSIAC Chair

The Chair of the Committee on Student Issues and Concerns (COSIAC) is eligible for LSA-paid housing and per diems for the duration of the Annual Meeting, and for reimbursement of their travel expenses.

The COSIAC Chair is expected to pay their own expenses and submit a request to the Secretariat for reimbursement of transportation costs not to exceed \$700 (\$1000 for international travel). For airfares, reimbursement will be at advanced-purchase economy rates. A completed expense form must be submitted with all receipts when reimbursement is requested, normally within 15 days of completion of travel. The Executive Director reviews and approves all requests for reimbursement in accordance with the budget and assigns the appropriate account number before the checks are written.

#### F. Reimbursement of Travel Expenses of Delegates

Members serving as Delegates may request travel stipends of up to \$700 each year to attend a national meeting representing the Society. Members are eligible to request this support when they file their report on the meeting.

Members pay their own expenses and submit a request to the Secretariat for reimbursement of costs. A completed expense form (Attachment A) must be submitted with all receipts when reimbursement is requested, normally within 15 days of completion of travel. The Executive Director reviews and approves all requests for reimbursement in accordance with the budget and assigns the appropriate account number before the checks are written.

#### G.. Reimbursement of Occasional Official Travel Expenses of Members and Officers

Members or officers traveling on official business of the Society other than as provided above may request reimbursement of their expenses for such travel (normally not to exceed \$700 for domestic travel or \$1000 for international travel). All requests for anticipated travel expenses for which reimbursement will be requested under this provision must be approved in advance by the Secretary-Treasurer. Those requesting reimbursement in this way shall provide reports to the Executive Committee or the Secretariat, as appropriate, on the results of their travel.

Members pay their own expenses and submit a request to the Secretariat for

reimbursement of travel costs. A completed expense form (Attachment A) must be submitted with all receipts when reimbursement is requested, normally within 15 days of completion of travel. The Executive Director reviews and approves all requests for reimbursement in accordance with the budget and assigns the appropriate account number before the checks are written.

#### H. Reimbursement of Travel Expenses of Employees

Employees are also reimbursed for travel and other expenses directly related to Society business. Itemized expense reports are submitted for reimbursement on a timely basis. For travel expenses other than those of the Executive Director, the Executive Director reviews all requests for reimbursement in accordance with the budget and assigns the appropriate account number before approving them.

Employees who have been issued LSA corporate credit cards may pay for travel and related expenses via this mechanism, subject to prior approval by the Executive Director. In the case of the Executive Director's official travel, prior authorization from the Secretary-Treasurer is not required except where expenses are in excess of the total amount approved for this purpose in the operating budget and/or the policies outlined herein.

All actual out-of-area travel expenses incurred by any employee other than the Executive Director must be approved by the Executive Director prior to reimbursement.

All requests for anticipated out-of-area travel expenses by the Executive Director for which reimbursement will be requested (other than for travel to and in connection with events which the Executive Director attends in his/her capacity as Executive Director) must be approved in advance by the Secretary-Treasurer.

All requests for reimbursement of travel expenses incurred by the Executive Director (both for LSA and non-LSA events) must be approved by the Secretary-Treasurer prior to reimbursement. The Executive Director assigns the appropriate account number before forwarding the reimbursement request to the Secretary-Treasurer, who will return it to the Executive Director in a timely fashion. In the event that the Secretary-Treasurer is unavailable, the President is authorized to approve reimbursement requests from the Executive Director.

## 19. AUDITS AND REPORTING

**Policy:** An independent audit is completed annually by a professional accounting firm that has met the peer review requirements of the AICPA. The firm is approved by the Society's Audit Committee and engaged by the Executive Director.



**Procedure:** The staff prepares various schedules needed by the auditor and provides assistance as needed to complete the audit.

Upon completion, the audit results are reviewed by the Executive Director, the Secretary-Treasurer, and the Audit Committee and then submitted to the Finance Committee, which forwards them to the Executive Committee with its recommendation for action. The Executive Committee is responsible for final approval of the audit.

Audits may include a management letter. The Executive Director and Secretary-Treasurer follow up on the auditor's recommendations.

Appropriate audit forms, Internal Revenue Service Form 990 and 990 A, and other reports are filed with appropriate federal and state agencies.

## **20. INSURANCE**

**Policy:** The Society maintains appropriate insurance coverage.

**Procedure:** The Society maintains the following coverage:

- Building and Business Personal Property Insurance (including employee dishonesty and general liability)
- Convention Cancellation
- Non-Profit Professional Liability
- Employers Liability Insurance
- Fiduciary Liability
- Editor's and Omission

The Executive Director, in consultation with the Secretary-Treasurer, reviews the coverage annually at the time of renewal.

## **21. CONTRACTS**

**Policy:** The Executive Director executes contracts consistent with the mission, goals, objectives, and approved budget of the Society.

**Procedure:** The Executive Director signs contracts to carry out programs and activities approved by the Executive Committee.

Contracts in excess of \$10,000 should be circulated to prospective vendors via a competitive bidding process using a formal "Request for Proposals." Recommendations from staff for the engagement of contractors/vendors are subject to the approval of the Executive Director. All contracts in excess of \$10,000 are subject to review by the LSA attorney.

Prior to the execution of any contract to hold the LSA Annual Meeting at a specific hotel or other convention venue, the site in question shall be approved by the Executive Committee (EC).

The Society's standard form for contracting for consulting services, including computing, editorial, financial, administrative, and technology services, is reviewed annually and updated as necessary by the Executive Director. Consultant agreements are reviewed annually at the beginning of the fiscal year in consultation with the Secretary-Treasurer (as appropriate).

Request for payment for consultant services is submitted on a report of consultant services form on a timely basis (normally monthly or quarterly). The immediate supervisor (if not the Executive Director) and the Executive Director approve requests before the check is prepared.

## **22. INVESTMENT POLICIES AND GUIDELINES**

**Policy:** The funds of the Society are invested at the discretion of the Executive Committee on the advice of the Finance Committee. The Executive Committee has adopted the following investment guidelines.

### **STATEMENT OF INVESTMENT POLICIES AND GUIDELINES**

#### **INVESTMENT OBJECTIVES**

The Society is committed to an investment approach that will enable it to meet its long-term standing commitments to the financial support of major recurring special activities, and to ensure the smooth continuation of its regular operations.

#### **INVESTMENT MANAGEMENT**

The Society will engage a reputable investment management organization to administer the investment of its assets subject to the guidelines set forth in this document. Individual investment managers within the organization will have discretion to manage the assets in each particular portfolio to best achieve the stated investment objectives.

#### **PORTFOLIO COMPOSITION AND ASSET ALLOCATION**

The Society maintains a number of restricted funds, enumerated in Section 15 of this document. The different purposes of the various funds call for different investment strategies for them. The strategies are differentiated by the proportion of assets invested in equities (stocks), fixed income instruments (bonds), and cash.

A number of the funds support the biennial Linguistic Institute, including named professorships, named fellowships, and administrative expenses. The financial

demands for these purposes are fairly predictable. The funds are therefore to be invested conservatively, at a ratio of approximately 65% fixed income instruments, 25% equities, and 10% cash, to minimize the effects of market volatility and assure the availability of the necessary resources at the time they are needed. The purpose of the equity component of the portfolio is to provide some long-term growth of the investments to counter the effects of inflation.

The LSA General Fund is to be used to supplement the regular operating revenues of the Society in order to carry out the Society's regular operations, or to meet unforeseen urgent needs. New unrestricted contributions to the Society will be added to this fund. There is no planned schedule of withdrawals from the General Fund. Its assets are to be invested with a growth orientation, in a ratio of approximately 70% equities and 30% fixed income instruments.

Two remaining restricted funds are the Program Development and Committee Activities Fund, and the Financial Assistance and Student Support Fund. These are in an intermediate category, with the likelihood of annual withdrawals of unpredictable amounts. The asset allocations are to be 50% equities, 40% fixed income instruments, and 10% cash.

All of the funds will be rebalanced periodically to maintain the target asset allocations in the light of changing market conditions.

Funds with equivalent asset allocations may be kept in the same or different brokerage accounts, according to the convenience and preferred practices of the LSA Secretariat and the investment management firm. Funds with differing asset allocations will be kept in different brokerage accounts.

### **SPENDING AND BORROWING POLICY**

Each of the restricted funds described in Section 15 of this document has a specified expenditure policy. For most funds, withdrawals will be limited to earnings, where "earnings" is defined as interest and dividends received on the fund's investments since the last previous withdrawal, plus, with the approval of the Secretary-Treasurer, up to 5% of the net asset value exclusive of dividends and interest, if the net asset value has increased by 10% or more since the last previous withdrawal from principal. In the case of a few funds, withdrawals may exceed this amount if necessary to accomplish the fund's purpose. Any deviation from the stated expenditure policy for any fund will require the express approval of the Executive Committee.

For the LSA General Fund, the Executive Committee must approve withdrawals in any amount.

The Society will maintain a line of credit with the investment management firm, secured by the collective assets under management, at the most favorable

interest rate available. The Society may borrow against this line of credit when the Executive Director and the Secretary-Treasurer agree that such borrowing is necessary to meet current obligations. The Society will pay the accrued interest on the borrowed amount in full monthly. When new revenues come into the Society in excess of the amount necessary to meet current and anticipated near-term future needs, their first use will be to pay down the outstanding principal amount of the loan.

### **MONITORING OF OBJECTIVES AND RESULTS**

The Executive Director (ED) and the Secretary-Treasurer, as Chief Financial Officer (CFO), will each receive monthly statements from the investment management firm, showing the full holdings in each account, any transactions that have occurred during the reporting period, any dividends or interest received, the current market value of each holding, and the change in market value since the previous statement. The ED and the CFO will review these statements, and if either of them notes something that requires attention, s/he will discuss it with the other one, and with the designated representative of the investment management firm. If necessary, the ED or the CFO may bring the matter to the attention of the Finance Committee. Any substantial changes to the investment policies described in this section will be brought to the Executive Committee for approval.

The CFO will report the performance of the Society's investments to the Finance Committee and to the Executive Committee at least twice yearly, at the winter and spring meetings of those committees, and more frequently as circumstances warrant.

### **PERIODIC REVIEW OF INVESTMENT POLICIES AND GUIDELINES**

The CFO and the ED will review this statement at least annually, and will recommend changes to the Finance Committee and the Executive Committee as needed.

## **23. INVESTMENT ADVISOR**

The LSA Investment Advisor, if one is appointed, is charged with overseeing the Society's investments and their management in consultation with the LSA Finance Committee. The person named to this post is appointed for a three-year term and may be reappointed. The appointment of this individual is at the discretion of the Secretary-Treasurer. The Investment Advisor also serves as a voting member of the LSA Finance Committee.

## **24. BEQUESTS AND CONTRIBUTIONS**

**Policy:** Bequests and contributions that are restricted by the donor are used only for the purpose specified. A minimum contribution of \$10,000 is required in order to establish a new restricted fund. Donors wishing to restrict contributions under this amount will be referred to the existing restricted fund contribution options. Unrestricted contributions are normally deposited in the LSA General Fund.

**Procedure:** The Executive Director and Secretary-Treasurer are jointly responsible for the designation of bequests and contributions according to the policy.

## **25. CODE OF CONDUCT**

**Policy: The LSA Code of Conduct, adopted May 2007, is as follows:**

The Linguistic Society of America (LSA) is a not-for-profit organization that seeks to operate not only within the law but also as a highly ethical organization deserving of public trust and support. The LSA Code of Conduct (hereinafter referred to as the Code) requires officers, other volunteers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the organization must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

### **a. Conflict of Interest Policy**

It is in the spirit of this code that we adopt a conflict of interest policy for our Officers, Executive Committee members, the Editors of LSA journals , staff members and others with significant interest to avoid both conflicts of interest and any appearance of conflicts of interest.

### **Fiduciary Obligations**

The law holds officers and those in significant authority to three standards of conduct: the duty of faithfulness, the duty of care, and the duty of loyalty. The duty of loyalty -- the placing of the interest of the Society first in making decisions -- is usually the duty at issue in conflict situations.

### **What is a Conflict of Interest?**

A conflict of interest generally arises when an officer, volunteer, employee or similar party cannot give his or her complete loyalty to the LSA on a specific matter because he or she (or their family) has a private interest (usually financial) that might dominate his or her actions.

### **A Duty to Inform of Possible Conflicts**

At the time a conflict becomes known, there are both legal and ethical duties to inform the organization of conflicts. A member should inform both the President

and the Executive Director of any possible personal, familial, or business relationships that could reasonably give rise to a conflict of interest involving LSA. However, it is every officer, committee member, volunteer and staff member's responsibility to ensure that the organization is made aware of any situation that may be troublesome to the Society.

**Determining Conflicts of Interest**

In most circumstances it should be easy to determine whether a conflict exists. However, should the matter be one of difficulty, the President shall appoint a three person committee, including a Past President to make a recommendation. The President shall be the final arbitrator of possible conflicts unless it involves the President; then, the line of officer succession will be followed.

**Restraint on Participation**

Persons with conflicts shall not vote, participate in discussion, or if requested be present at the time of the vote. Such conflicts shall be noted in the minutes before a vote is taken.

**Annual Review**

At the time individuals become involved with the LSA and annually thereafter, all Officers, Executive Committee members, the Editors of LSA journals, staff members and others with significant interest will review this policy; disclose any Board position or known financial interest that may give rise to conflict and acknowledge by his or her signature their compliance with the letter and spirit of this policy.

Failure to disclose a conflict will be treated as a serious breach of conduct and will be subject to appropriate disciplinary and corrective actions.

**b. Conflict of Interest Statement**

I hereby acknowledge that I have reviewed the above Linguistic Society of America Conflict of Interest policy and agree to comply with this policy.

---

Signature

Date

Disclosure

At this time, I would like to disclose the following position(s) and/or known interest(s) that may give rise to conflict.

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At this time, I have no known conflicts of interest to disclose.

---

Signature

Date

### **c. Whistleblower Policy**

The objectives of the LSA Whistleblower Policy are to establish policies and procedures for:

- The submission of concerns regarding questionable accounting or auditing matters by employees, directors, officers, and other stakeholders of the organization, on a confidential and anonymous basis.
- The receipt, retention, and treatment of complaints received by the organization regarding accounting, internal controls, or auditing matters.
- The protection of officers, volunteers and employees reporting concerns from retaliatory actions.

#### **Reporting Responsibility**

Each officer, volunteer, and employee of the LSA has an obligation to report in accordance with this Whistleblower Policy (a) questionable or improper accounting or auditing matters, and (b) violations and suspected violations of the Code (hereinafter collectively referred to as Concerns).

#### **Authority of Audit Committee**

All reported Concerns would be forwarded to the Audit Committee in accordance with the procedures set forth herein. The Audit Committee has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations. The Audit Committee shall be responsible for investigating, and making appropriate recommendations to the Officers and Executive Committee, with respect to all reported Concerns.

#### **No Retaliation**

The Whistleblower Policy is intended to encourage and enable officers, volunteers, and employees to raise Concerns within the Organization for investigation and appropriate action. With this goal in mind, no officer, volunteer, or employee who, in good faith, reports a Concern shall be subject to retaliation

or, in the case of an employee, adverse employment consequences. Moreover, a volunteer or employee who retaliates against someone who has reported a Concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

### **Acting in Good Faith**

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice, or a violation of the Code. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

### **Confidentiality**

Reports of Concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Disclosure of reports of Concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

**Procedure:** Employees and officers who select contractors and grantees are required to disclose personal and financial relationships with any applicants for contracts or grants. The Society will ensure that, in the event of such disclosure, the employee or officer will be excluded from decision-making and fund administration involving these persons or entities.

## **26. FINANCE COMMITTEE**

For the general management and oversight of the financial affairs of the Society, there will be a Finance Committee composed of the President, Vice President-President Elect, Immediate Past President, Secretary-Treasurer and the Executive Director (non-voting ex-officio). There may also be one additional member who serves as Investment Advisor. The Committee will be chaired by the Secretary-Treasurer and will meet at least twice each year in conjunction with the meetings of the Executive Committee.

## **27. AUDIT COMMITTEE**

The audit committee is composed of three members of the Society, serving staggered three-year terms, plus one current member of the Executive



Committee, serving a one-year term. Normally the senior three-year member will serve as Chair. The Committee is charged with reviewing the Society's engagement letter with the firm selected to perform the annual audit, considering the draft financial report and management letter, and presenting a report to the Executive Committee at the January meeting. The Committee is also charged with receiving, reviewing, and acting on any allegations of misconduct, as specified in Section 25 above.

## **28. MEMBERSHIP/DATABASE**

All individual memberships are based on a 12 month period commencing on the date at which the member joins. Journal subscriptions for organizations are offered on a calendar year basis. The Executive Committee approves dues rates and the Executive Director approves membership recruitment and renewal materials. At least two months prior to expiration, the Secretariat sends out renewal notices via email and postal mail to those members and subscribers due to expire. Follow-up renewal requests are sent one week prior to expiration, and one month following expiration.

The Administrative Assistant provides the Executive Director and other staff with membership and subscriber reports upon request.

As of 2010, membership and subscriber information is tracked on the website for all categories of membership. Prior to 2009, information was tracked in-house on the FileMaker Pro database for institutional subscribers. All LSA staff have administrative access to both databases.

During an individual's initial joining of the LSA and subsequent membership renewal, they provide information such as name, email address, credit card number, and other relevant information. This information is used by the LSA to identify the individual, to contact them and provide them with support services, mailings and emails, billing, and to meet contractual agreements.

### **Application of Payments**

Payments for member dues and meetings are received via paper check, wire, or credit card via mail, fax, or online, and in rare cases, cash or money order. The database is updated automatically when the member pays online, or by the Administrative Assistant when the payment is made by mailed check, hard copy credit card or wire.

### **Database Edits and Changes**

Members affirmatively opt in to having their membership details listed in the Member Directory and to having their membership details made available to third parties. Members who have opted in to these preferences may opt out of them at any time by logging in to the LSA website and unchecking the appropriate boxes on the “Account Settings” tab, or may contact LSA staff and request that they make the change for them.

## **Meetings and Registration Fees**

Cash receipts related to meetings are for registrations, exhibitor fees, and sponsor payments and other activities as approved by the EC. Payments are received via paper check, credit card or wire transfer, and in some cases cash and money order.

Check & Cash Payments - When payment is received via check, a copy of the completed registration form is maintained in a file for the applicable meeting. The Executive Director and the Administrative Assistant then process the deposits according to the cash receipts procedure and the Administrative Assistant posts this information to the member’s profile in the website database.

Credit Card Payments – If the member pays online via the website, the information is posted automatically to their profile in the website database. The Administrative Assistant then processes the deposits according to the cash receipts procedure and posts this information to the member’s profile in the website database.

During an individual’s online or onsite meeting registration, they provide information such as name, email address, credit card number, and other relevant information. This information is used by the LSA to identify the individual, to contact them and provide them with support services, mailings and emails, billing, and to meet contractual agreements.

## **Wires**

All non-check disbursements, such as wire transfers, are initiated by the Executive Director, on an as needed basis.

## **Refunds**

The LSA discloses its refund policy for registrations in its meeting registration form.

*Last revised May 2, 2021*

## **Addendum A**

### LINGUISTIC SOCIETY OF AMERICA (LSA)

#### Policy on the Process for Determining Executive Compensation

This Policy on the Process for Determining Compensation applies to the compensation of the LSA's Executive Director.

The process includes all of these elements: (1) review and approval by LSA's Executive Committee; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

1. Review and approval. The compensation of the Executive Director is reviewed and approved by LSA's Executive Committee, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
2. Use of data as to comparable compensation. The compensation of the Executive Director is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
3. Contemporaneous documentation and recordkeeping. There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

*Addendum B*

**LINGUISTIC SOCIETY OF AMERICA (LSA)**

**Record Retention and Document Destruction Policy**

It is the policy of the LSA to maintain complete, accurate and high quality records. Records are to be retained for the period of their immediate or current use, unless longer retention is required for historical reference, contractual, legal or regulatory requirements or for other purposes as may be set forth herein. Records of historical scholarly value that are no longer required, or have satisfied their required periods of retention, shall be transferred to the Western Historical Manuscript Collection (WHMC) or any successor archive. Those records without any such value or need (as specified below) shall be destroyed.

No officer, director, employee, volunteer, or agent of the LSA shall knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any government department or agency or in relation to or contemplation of any such matter or case. No documents should be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation. If a government investigation is underway or even suspected, document purging must stop in order to avoid criminal obstruction.

This Policy covers all records and documents of the LSA, including paper, electronic files (including e-mail) and voicemail records regardless of where the document is stored, including network servers, desktop or laptop computers and handheld wireless devices.

The Executive Director shall be responsible for administering this Policy. As part of this role, the Executive Director, in consultation with legal counsel, shall ensure that LSA documents and records retained by officers, directors, employees, volunteers, or agents are stored, transferred or destroyed in a manner consistent with this Policy.

In order to eliminate accidental or innocent destruction, the LSA has the following document retention requirements as noted in the following table. The LSA reserves the right to amend, alter and terminate this Policy at any time and for any reason.

<b>Type of Document</b>	<b>Minimum Best Practice Requirement</b>
Accounts receivable & payable ledgers and schedules	7 years
Articles of Incorporation, charter, bylaws, Executive Committee minutes,	Permanently

reports and other incorporation records	
Audit reports, financial statements (year end), general/private ledgers, trial balance, journals	Permanently
Bank reconciliation	7 years
Bank statements, deposit records, electronic fund transfer documents and canceled checks	7 years
Chart of accounts	Permanently
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general); see below for additional details	3 years; transfer to WHMC thereafter
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	3 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Donations	7 years
EEOC reports	Permanently
Employee demographic info & compensation records (Davis-Bacon Act, Service Contract Act & Walsh-Healy Public Contracts Act)	3 years
Expense analyses/expense distribution schedules	7 years
Garnishments	7 years
Grant applications (unfunded)	3 years
Grants (funded)	7 years after closure
I-9's	3 years after date of hire or 1 year after termination
Insurance policies (expired)	3 years
Insurance records (current), current accident reports, claims, policies, etc.	Permanently
Internal audit reports	7 years
Invoices (to customers, from vendors)	7 years
Inventory records	7 years
Loan documents and notes	Permanently
Patents and related papers	Permanently

Payroll records & summaries including records related to employee's leave (Equal Pay Act, FLSA)	7 Years
Personnel files (terminated employees) (Title VII, ADA, ADEA)	7 Years after termination
Purchase orders	7 Years
Retirement and pension records including Summary Plan Descriptions (ERISA)	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 Years
Trademark registrations and copyrights	Permanently
Withholding tax statements (FICA, FUTA, Federal Income)	7 Years
Workers compensation documentation	10 years after 1 <sup>st</sup> closure

### **Policy on the Treatment of Private and/or Confidential Documents**

For the purposes of this policy, the following documents shall be considered confidential:

- Fellowship application materials (including transcripts, GRE/TOEFL scores, and letters of recommendation);
- Manuscripts submitted to but not accepted for publication by LSA journals;
- Referee reports and associate editor reports evaluating manuscripts;
- Rejected abstract submissions to the Annual Meeting Program Committee;
- Personnel files for current and former LSA employees, employment application materials, and contracts with consultants;
- Documents marked “confidential” by the author or recipient;
- Minutes of Executive Sessions of the LSA Executive Committee;
- Financial transactions that contain personal credit card or banking information;
- Any other documents containing information that would put individuals at risk for identity theft, such as social security numbers, etc.

All other documents will be considered appropriate for inclusion in the WHMC, including:

- Editorial correspondence with authors of manuscripts submitted for publication.
- Nomination materials for awards and service as LSA Officers, Editors, EC Members, Committee leaders, and other leadership posts.

**Policy:** Confidential documents will be destroyed after one year from the date of receipt, except where noted in the preceding retention schedule and/or unless further retention is deemed necessary for a period of time for specific official purposes. All other documents will be retained in accordance with the record retention policy outlined above and transferred to the WHMC as appropriate. A

Disclaimer Notice will be posted on the LSA/ website and as a “footer” on e-mails/faxes sent by LSA staff, editors, or elected/appointed volunteers explaining this policy.

Suggested Disclaimer Notice (to be posted on the LSA/ website and as a “footer” on e-mails/faxes sent by LSA staff, editors, or elected/appointed volunteers)

Please be advised that all correspondence directed to the LSA or its representatives may be made available to the Western Historical Manuscript Collection (WHMC) as part of the official LSA Archive. Correspondents who wish for their correspondence and/or related materials to remain confidential (and not placed in the archive), should mark their materials conspicuously as “CONFIDENTIAL.”

### **Guidance on the Archiving of Scholarly Information**

In addition to the documents referenced above, the following types of materials should be routinely transferred to WHMC:

- Annual Meeting Handbooks
- Course Listings and Related Materials for the Linguistic Institute
- Agendas and Related Materials for the Summer Meeting
- LSA publications (not referenced below)
- Records associated with free-standing workshops, conferences, symposia, seminars, and other meetings sponsored by the LSA
- Any information removed from the LSA website that may be of scholarly interest

The following materials are automatically archived through electronic means:

- *LSA journals* published content

The following LSA materials are retained permanently in bound form at the LSA Secretariat:

- *Language* Volumes 1-85 (and beyond)
- Index of *Language* (1925-2000)
- *LSA Bulletin*, Nos. 1-196
- *Language* Dissertations, Nos. 1-57
- *Language* Monograph, Nos. 1-27

## **Addendum C**

### **Joint Venture Policy**

In compliance with Internal Revenue Service guidelines for approval and management of any joint venture entered into by the Linguistic Society of America (LSA), the Executive Committee adopts the following guidelines.

#### Activities Subject to this Policy

For the purposes of this policy, the term “Joint Venture” is defined as any arrangement, including contractual or more formal arrangements undertaken through a limited liability company, partnership, or other entity, through which the LSA and another entity jointly undertake any activity or business venture, or otherwise agree to joint ownership of any asset. A Joint Venture may include both taxable and tax-exempt activities.

#### Approval and Management of Joint Activities

Before making any decision to participate in a Joint Venture, the LSA will ensure that the Joint Venture furthers the LSA’s exempt purposes and will negotiate at arm’s length<sup>3</sup> contractual and other terms of participation that safeguard LSA’s exemption from federal income tax. Such terms shall be in writing in the operating agreement of the Joint Venture and shall include the following minimum requirements:

With respect to any whole joint venture (that is, a joint venture in which the LSA contributes substantially *all* of its assets to the enterprise), the LSA’s control over the Joint Venture through fifty-one percent (51%) or more of the voting rights and/or veto power;

With respect to any ancillary joint venture (that is, a joint venture to which a portion of the LSA’s resources are contributed), the LSA would, at a minimum, maintain sole control over the tax-exempt aspects<sup>4</sup> of the Joint Venture and would have voting and ownership interests in the Joint Venture that are consistent with the LSA’s capital contributions;

A requirement that any subsequent contract with the LSA’s partner in the Joint Venture be negotiated at arm’s length and for fair market value;

A requirement that the Joint Venture give priority to the LSA’s tax-exempt purposes over maximization of profit for the participants of the Joint Venture; and

A prohibition on activities that would jeopardize the LSA’s tax-exempt status.

Where there is any question as to whether a particular Joint Venture may pose a risk to the LSA’s tax-exempt status, a decision to enter into such Joint Venture will be made only in consultation with legal and/or tax counsel.

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<sup>3</sup> An “arm’s length transaction” is a transaction negotiated by the parties in good faith in the ordinary course of their business whereby the parties are acting in their own self interest.

<sup>4</sup> Except in those cases in which the joint venture is with another tax exempt entity. In those cases, control would be shared in proportion to the financial contribution made by each party.



## **Addendum D**

### DISPOSITION OF RESTRICTED FUNDS HELD PRIOR TO MAY 2009

These previously established temporarily restricted funds were shifted into two new temporarily restricted funds, as follows:

<u>Old Fund</u>	<u>New Fund (abbreviated)</u>	<u>Amount</u>
Cmte Status of Women in Linguistics	Program Development...	\$ 4796
Membership Assistance	Financial Assistance...	\$ 9408
Child Care Assistance	Financial Assistance...	
\$14,084		
Cmte on Ethnic Diversity	Program Development...	\$ 3123
Cmte on Endangered Languages	Program Development...	\$ 7088
Archiving Endangered Language	Program Development...	\$ 4022
Stokoe Fund for Interpreting Services	Financial Assistance...	\$ 7313

The following restricted funds and related activities were retired:

- Bloch Alternate
- LSA Professorship/Chair
- Austerlitz Fund
- Akmajian Fund
- Hutchins Fund
- Language in the USA Fellowship
- LSA Fellowship
- President's Fellowship
- Jaeggli Fund
- Fund for the Future of Linguistics in Memory of Vicky Fromkin
- Linguistic Institute Fellowship Fund
- Linguistic Institute Contribution Fund
- Capital Equipment Campaign

The funds raised for the Maggie Reynolds Fellowship (~\$8,000) were expended through direct awards, and this award was retired when the fund balance fell below \$1,000, with all remaining funds shifted into the Financial Assistance Fund.

The SIL Fellowship was retired, and the balance of funds was returned to SIL, retaining a fee of \$500 for managing this fund since 1986.

## *Addendum E*

### LSA Privacy Policy

The Linguistic Society of America is committed to protecting the privacy of its members and has adopted the following policy about the gathering and dissemination of personal information at the LSA's network of Web sites, which includes [www.linguisticsociety.org](http://www.linguisticsociety.org), [journals.linguisticsociety.org](http://journals.linguisticsociety.org), and [www.semprag.org](http://www.semprag.org).

In general, you may visit the LSA Web sites without submitting any personal information. However, to provide certain services, the LSA may request personal information in one or more of the ways listed below. Users are told when information is to be collected, and you have the option not to submit this information.

**Information We Collect:** We may collect personally identifiable information about you, such as your full name, email address, and postal address, when you join the LSA, register for a meeting, make a donation, submit a paper to or register as an online reader of a journal, become listed as a departmental contact or chair in our Directory of Linguistics Programs and Departments, or purchase a product such as an annual meeting sponsorship or an institutional subscription to *Language*. We or our third-party processors will collect your payment information.

**Why We Collect Your Information:** If you are an LSA member, an attendee at an Annual Meeting, a donor, a submitter of an article to an LSA publication, or a purchaser of an LSA product, we have some basic information about you. We understand that some of this information is private, which is why we collect personal information only for the following purposes:

- To establish and maintain a responsible commercial relationship with you. For example, when you apply for membership, we collect information that allows us to confirm your identity so that we can accurately bill and collect for your membership dues.
- To develop, enhance, market or provide benefits to LSA members and meeting attendees.
- To send you communications relating to your membership, meeting attendance, donation, purchase, subscription, or paper submission.
- To meet legal requirements or obligations. For example, we may collect information in response to a court order, or to satisfy a request by a government agency

**How We Use Your Information:** We use the information that we collect to operate and maintain our web sites; to track membership, meeting attendance, authorship, and demographic trends in linguistics programs/departments; to send you communications relating to your membership, meeting attendance, donation, purchase, subscription, or

paper submission; to respond to your questions and concerns; and to fulfill our contractual obligations.

**How We Share Your Information:** The LSA will not rent or sell your personally identifiable information to others unless you have opted in to allowing third-party vendors to have access to it, and in these cases the information provided will be limited to a hard-copy set of mailing labels. We may store personal information in locations outside the direct control of the LSA (for example, on servers or databases co-located with hosting providers). Any personally identifiable information you elect to make publicly available on our sites, such as commenting on a web page, will be available to others. If you remove information that you have made public on our sites, copies may remain viewable in cached and archived pages of our site, or if other users have copied or saved that information. Demographic data that you provide in the aggregate about the students or faculty affiliated with your linguistics department or program is visible to readers of the LSA website.

**Cookies Policy:** We may use cookies in order to customize the site for return visitors. These cookies are not required for site functionality. Additionally, third-party widgets such as YouTube or Flickr may install cookies depending on their configuration. You are not required to accept any cookies to use this site. You can [disable cookies](#) on your browser to prevent being recognized on return visits to the LSA website.

We use a tool called “Google Analytics” to collect information about use of the LSA’s websites. Google Analytics collects information such as how often users visit these sites, what pages they visit when they do so, and what other sites they used prior to coming to these sites. We use the information we get from Google Analytics only to improve the LSA website. Google Analytics collects only the IP address assigned to you on the date you visit this site, rather than your name or other identifying information. We do not combine the information collected through the use of Google Analytics with personally identifiable information. Although Google Analytics plants a permanent cookie on your web browser to identify you as a unique user the next time you visit this site, the cookie cannot be used by anyone but Google. Google’s ability to use and share information collected by Google Analytics about your visits to this site is restricted by the [Google Analytics Terms of Use](#) and the [Google Privacy Policy](#). You can prevent Google Analytics from recognizing you on return visits to this site by [disabling cookies](#) on your browser.

**How We Store Your Information:** Your information collected through the LSA website is stored and processed on servers in the United States. Our processors are compliant with the EU General Data Protection Regulation (GDPR).

**How We Retain Your Information.** We retain the personal data collected from members, meeting attendees, donors, institutional subscribers, or purchasers of LSA products for as long as the membership, meeting, donation, or purchase is active and for a period of time after that as long as we need it to fulfill the purposes for which we have

initially corrected it, unless otherwise required by law. See the LSA's Record Retention and Document Destruction Policy.

**How We Protect Your Information:** The LSA is concerned with protecting your privacy and data, but we cannot ensure or warrant the security of any information you transmit to the LSA or guarantee that your information may not be accessed, disclosed, altered or destroyed by breach of any of our industry-standard physical, technical or managerial safeguards. When you enter sensitive information (such as log in credentials) on our website, we encrypt that information using secure socket layer technology (SSL). No method of transmission over the internet or method of electronic storage is 100% secure, however. Therefore, we cannot guarantee its absolute security. If you have any questions about security on our site you can contact us at [lsa@lsadc.org](mailto:lsa@lsadc.org). We use an outside credit card processing company to process payments made through our web site. These companies do not retain, share, store or use personally identifiable information for any other purposes

**Your Rights With Regard to Your information:** We respect your privacy rights and provide you with reasonable access to the personal data that you may have provided through your use of the LSA website. If you wish to access or amend any personal data we hold about you, you may update it at any time by accessing the "Account Settings" tab on your member profile (for LSA members) or by contacting LSA staff (see contact information below). Any changes you make, or that LSA staff make on your behalf, will be reflected in active user databases instantly or within a reasonable period of time. We may retain all information you submit for backups, archiving, prevention of fraud and abuse, analytics, satisfaction of legal obligations, or where we otherwise reasonably believe that we have a legitimate reason to do so. To request that we delete any information about you that we have, please contact LSA staff at: Linguistic Society of America, 522 21<sup>st</sup> St, NW, Suite 120, Washington, DC 20006; Ph: 202-835-1714; [lsa@lsadc.org](mailto:lsa@lsadc.org).

## **Addendum F**

### **Gift Acceptance Policy**

#### **Policy:**

To achieve its mission to advance the scientific study of language, the Linguistic Society of America (“LSA”), a non-profit corporation that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, will seek and accept gifts of financial and real property from individuals, foundations, corporations, and other entities.

#### **Purpose:**

This policy is established to ensure that each gift to, or for the use of, LSA is structured to provide maximum benefits to both the donor and LSA in any particular gift planning opportunity.

The goal is to encourage funding of LSA without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not consistent with the mission of LSA.

This policy serves as a guideline for LSA staff, Executive Committee (EC) members and volunteers involved with soliciting and accepting gifts, to outside advisors who assist in the gift planning process, and to prospective donors who wish to make gifts to LSA. This policy is intended to serve as a guide and allows for some flexibility on a case-by-case basis provided proper approval is obtained as detailed below.

#### **Donor’s Use of Legal Counsel**

LSA does not provide legal, accounting, tax or other advice to donors. Each donor is ultimately responsible for ensuring their proposed gift meets and furthers their charitable, financial and estate planning goals.

Before making a gift to LSA, donors should consult their own legal counsel, tax advisors, and estate planners.

#### **LSA’s Use of Legal Counsel**

LSA may utilize the services of legal counsel to assist with evaluating a gift opportunity in the following situations:

- To review certain gifts, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions.
- To review all transactions governed by contracts or legal documents.

- To review all transactions with potential conflicts of interest.
- To review transactions in which the LSA Finance Committee or EC believe that the use of counsel is appropriate.

### **Finance Committee**

The Committee expressly reserves the right to refuse or return any gift that it believes is not in the best interest of LSA, and is responsible for approval of any exceptions to this policy. The Committee will review this policy annually and update it as necessary.

### **Gift Restrictions and Other Considerations**

Donations of gifts for unrestricted or general purposes are encouraged because of the flexibility they provide to LSA. However, there may be situations in which the donor requires that gifts be used by LSA in particular ways. It is the responsibility of LSA to comply with such requirements if the gift is accepted.

LSA reserves the right not to accept certain gifts, including:

- Those which would not be in the best interest of the donor (i.e. ones that might be inappropriate in lights of the donor's personal or financial situation).
- Those that might benefit the donor in ways that are not available to others of similar status and interest.
- Those from which LSA will realize little or no financial or programmatic gain.
- Those that are offered for purposes that contradict or are beyond the scope of LSA's mission and purpose.
- Those which have restrictions that might violate LSA's ethical standards or require any form of illegal discrimination.

### **Gift Acknowledgement**

LSA shall acknowledge receipt of gifts of tangible personal or real property in accordance with IRS requirements, so long as such acknowledgment does not entail valuing the gift. LSA will inform donors in writing of a good faith estimate of the nondeductible portion of any *quid pro quo* contributions made for any fundraising activity of the organization if the contribution exceeds \$75 individually. LSA is required to send acknowledgments on LSA letterhead for contributions of \$250 or more in accordance with Internal Revenue Code guidelines. LSA also has an internal standard of acknowledging all monetary donations.

### **Outright/Current Gifts**

An outright/current gift involves the donor's transfer of money or property to LSA, without the receipt of consideration or economic benefit. Although the donor may place restrictions on the use of the property, the donor must retain no control over the money or property transferred to LSA to qualify as an outright/current gift.

### Cash

1. All gifts by cash, check, or credit card shall be accepted by the LSA, regardless of amount, unless restrictions on the gift are deemed to conflict with the best interests of LSA. Checks shall be made payable to the LSA.
2. In no event shall a check be made payable to an individual who represents or claims to represent the LSA.
3. Pledges may be payable in single payments or over multiple periods. The pledge should generally not exceed five years in duration.

### Publicly-traded Securities

1. Readily marketable securities, such as those traded on a stock exchange, may be accepted by LSA.
2. LSA will immediately sell gifted securities upon receipt. Staff and volunteers of LSA should not represent to a donor that a particular security will be held for investment.
3. For LSA's gift crediting and accounting purposes, the value of the securities is the average of the high and low sale transactions on the date the gift is received by LSA, in accordance with IRS regulations.

### Closely-held Securities

1. Gifts of non-publicly traded securities may only be accepted after approval of the Gift Review Committee.
2. Prior to acceptance, LSA shall explore methods of liquidation of the securities through redemption or sale. A representative of LSA shall try to determine if there any restrictions on transfer. Because closely-held securities are difficult to value, the value of these securities must be established by a qualified independent appraisal. LSA will also consult with legal and tax advisors to determine if the security will generate undesirable tax consequences to LSA prior to acceptance.
3. Staff and volunteers shall make no prearrangement or commitments for the repurchase of such securities by the donor prior to completion of the gift to LSA.
4. The donor and LSA will mutually agree upon the appraiser used for appraising the value of non-publicly traded securities. The cost of the appraisal will be borne by the donor.
5. LSA will not accept gifts of general partnership interests or limited partnership interests that subject it to cash calls or other liabilities.

### Real Estate

Real estate gifts include real property, both improved and unimproved, detached single-family residences, townhomes, condominiums, apartment buildings, rental property, commercial property, farms, in addition to gifts subject to a retained life estate. The Finance Committee and legal counsel must review gifts of real estate before beginning the following gift acceptance process.

1. The donor is responsible for obtaining a current appraisal of the property by a licensed and certified real estate appraiser in the region where the property is located. The cost of the appraisal is the responsibility of the donor.
2. A Phase 1 environmental study (paid for by the donor) will be required for all gifts of non-residential property. Any hazards noted in this study will automatically result in LSA rejecting the gift. If the potential gift is non-residential property, the donor must sign an environmental indemnity agreement.
3. The donor must disclose the existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanics liens and other limitation of record. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged, except in very unusual cases where the fair market value of LSA's potential interest in the property net of all encumbrances is substantial.

4. A member of LSA staff or a professional delegated by LSA must conduct a visual inspection of the property.
5. Due to the expenses associated with gifts of real estate, only gifts in excess of \$50,000 will be accepted.
6. Before the gift is accepted, the donor must provide items to assist in preparing the property analysis, including the deed, current property tax bills, title reports, notes or mortgages, plot plans, zoning status, and environmental reports.
7. Depending upon the value and desirability of the gift, the donor's connection with LSA, and the donor's past gift record, the donor may be asked to pay for all or a portion of the following pending sale of the property: maintenance, real estate taxes, or insurance. The Gift Review Committee will determine any commitment to hold property beyond a reasonable period to accomplish its sale.

#### Tangible Personal Property/Gifts-in-Kind

1. Gifts of tangible personal property to LSA should have a use related to LSA's tax-exempt purpose.
2. Gifts of jewelry, artwork, collections, equipment, and software will be accepted after approval by the Finance Committee.
3. Such gifts of tangible personal property defined above shall be used by or sold for the benefit of LSA. No personal property shall be accepted that obligates LSA to ownership of it in perpetuity.
4. LSA shall accept no property that requires special display facilities, insurance, security measures or is not readily marketable. No perishable property will be accepted.
5. The Internal Revenue Service requires that the donor have the responsibility for valuing property for tax deduction purposes. Depending upon the anticipated value of the gift, LSA may also require a qualified outside appraiser to value the gift before accepting it. The donor is responsible for the cost of any appraisals.

#### Life Insurance

1. LSA will accept life insurance policies as gifts only when LSA is named as the irrevocable owner and sole beneficiary of the policy. LSA shall not participate in any split-dollar insurance plans.
2. Any premiums due are the responsibility of the donor.
3. If the insurance policy lapses for non-payment prior to maturity because a donor fails to provide for premium payments, LSA may redeem the policy.
4. If the policy is a paid-up policy, the value of the gift for LSA's gift crediting and accounting purposes is the policy's cash surrender value on the date of the gift.
5. If the policy is not paid up, the value (and the IRS deduction for the donor) of the gift for LSA's gift crediting and accounting purposes is the interpolated terminal reserve (this amount is usually slightly in excess of the cash surrender value since the calculation adds unearned premium and accrued dividends and subtracts policy loans from the cash surrender value).

#### **Split-Interest Gifts**

A split-interest gift involves the donor's irrevocable transfer of an interest in an asset to LSA, but the donor generally retains either an income stream or the remainder interest.

*Charitable Gift Annuity:* Under this contractual agreement, a donor makes a gift in exchange for annual payments for the life of the individual beneficiary(ies).

- a. LSA supports the suggested rates of the American Council on Gift Annuities.



- b. The minimum gift accepted to establish a charitable gift annuity is \$25,000 in unrestricted assets comprised of cash or marketable securities.
- c. No income beneficiary for a charitable gift annuity shall be younger than 65 years of age.
- d. There shall be no more than two beneficiaries on a charitable gift annuity.

*Deferred Payment Charitable Gift Annuity:* Under this contractual agreement, a donor makes a gift in exchange for annual payments for the life of the individual beneficiary(ies) with deferral of receipt of the income until a determined date.

- a. LSA supports the suggested rates of the American Council on Gift Annuities.
- b. The minimum gift accepted to establish a charitable gift annuity is \$25,000 in unrestricted assets comprised of cash or marketable securities.
- c. Payments to the donor or other beneficiary can commence no sooner than one year and no more than 15 years from the date of the contract.
- d. No income beneficiary for a charitable gift annuity shall be younger than 65 years of age.
- e. There shall be no more than two beneficiaries on a charitable gift annuity.

*Charitable Remainder Trust:* A charitable remainder trust is an irrevocable trust that pays income to a non-charitable beneficiary for life or a term of years based on the value of the property in the trust, with the remainder to LSA. A charitable remainder unitrust (CRUT) provides a variable income based on a fixed percentage of the annual value of the trust. A charitable remainder annuity trust (CRAT) pays a fixed income based on the initial value of the trust.

- a. Due to the cost of drafting and administration, the minimum gift required to establish a charitable remainder trust is \$100,000.
- b. Investment of a charitable remainder trust shall be determined by a fiduciary hired to manage the trust. No representations shall be made by any LSA employee or person acting on behalf of LSA as to the management or investment of such charitable remainder trust.
- c. LSA encourages the use of a trustee suitable to the donor, including bank trust departments or other appropriate institutions.
- d. The payout rate of the charitable remainder trust shall be determined in consultation with the donor and the investment advisor with consideration given to the number of beneficiaries, their ages, and the size of the trust.
- e. There shall be no more than two beneficiaries on a charitable remainder trust.
- f. In the case of a CRAT, there may not be more than a five percent probability that the non-charitable income beneficiaries will survive the exhaustion of the fund in which LSA has a remainder interest. If the chance that Society for Science & the Public will receive nothing is not so remote as to be negligible, then the charitable nature of the trust may be challenged.

*Charitable Lead Trust:* A charitable lead trust is an irrevocable trust that allows LSA to benefit first because it receives the trust income during the term specified by the donor. At the end of the term, the non-charitable beneficiary receives ownership of the trust property.

- a. The minimum gift required to establish a charitable lead trust is \$100,000.
- b. Investment of a charitable lead trust shall be determined by a fiduciary hired to manage the trust. No representations shall be made by any employee or person acting on behalf of LSA as to the management or investment of such charitable remainder trust.
- c. LSA encourages the use of a trustee suitable to the donor, including bank trust departments or other appropriate institutions.

#### Other Split-Interest Gift Considerations

- 1. LSA does not offer legal or investment advice to individuals regarding gift giving and the tax consequences, which may result from particular forms of gifts including charitable gift

- annuities; charitable remainder trusts; pooled income funds; charitable lead trusts; and deferred income charitable gift annuities.
2. LSA encourages potential donors to seek independent professional advice either from an attorney, investment advisor, or C.P.A. to determine the best method of making a gift to LSA and the tax consequences that may result from various forms or methods of gift giving.
  3. LSA will not act as an executor (personal representative) for a donor's estate.
  4. LSA will not serve as sole trustee of a charitable remainder trust or any other planned gift for the benefit of LSA. This policy may only be waived by a written resolution of the Finance Committee.
  5. The fees for management of planned giving instruments will not be paid by LSA, unless such payment is approved by the Finance Committee.

### **Charitable Bequests**

A charitable bequest involves the donor's transfer of money or property to LSA at the donor's death, either through the donor's will or trust. The donor uses or controls the assets during his or her entire lifetime.

#### Bequests

1. LSA shall encourage assets transferred through bequests that have immediate value to LSA, or that can be liquidated. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
2. Bequests with no donor restrictions that are given to LSA may be placed in LSA's Unrestricted Fund.
3. The LSA Executive Committee may accept and administer bequests designated for specific purposes of LSA. Sample bequest language will be made available to donors to ensure that the bequest is properly designated.
4. Attempts will be made to discover bequest expectancies in order to recognize donors and to find opportunities for other positive donor relations. This information is used for internal purposes only as the bequest is not binding on the donor.

### **Restrictions**

No restrictions on how gifts may be used by LSA will be honored without prior approval of the Finance Committee in the case of current gifts or subsequent approval by the Finance Committee in the case of gifts received by bequest or other deferred gift effective at death which has not been previously approved.

## **Administrative Issues**

1. LSA is committed to the highest ethical standards of philanthropy and development.
2. LSA will comply with all applicable local, state, and federal civil and criminal laws.
3. LSA does not provide legal, accounting, tax or other advice to donors. Each donor is ultimately responsible for ensuring their proposed gift meets and furthers their charitable, financial and estate planning goals.
4. Privileged or confidential information shall not be disclosed to unauthorized parties without the express consent of the donor.
5. LSA shall use reasonable efforts to ensure that contributions are used in exact accordance with donors' intentions.
6. In keeping with the above, when gifts are designated or restricted, staff and volunteers will obtain as much specific information as to the donor's intentions as possible, including naming an individual project or item to be purchased.

## **Payment of Fees Related to Gifts to LSA**

### Finder's Fees or Commissions

LSA shall pay no fee to any person as consideration for directing a gift to LSA. It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may subject LSA, its management, and the EC to federal and state security regulations.

### Professional Fees

LSA may pay reasonable fees for professional services rendered in connection with the completion of a gift to LSA. Such fees will be paid only with prior written approval of the Finance Committee. Such fees will be paid only following discussion with and approval by the donor.

Fees shall be reasonable and directly related to the completion of a gift. They shall be limited to:

- appraisal fees by persons who are competent and qualified to appraise the property involved, and who have no conflict of interest
- legal fees for the preparation of documents
- accounting fees incident to the transaction
- and fees of "fee for service" financial planners who affirm in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions, which could be construed as triggering securities regulation.

In cases where the persons receiving fees were initially employed by the donor and LSA is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.

In situations where advisors retained by LSA prepare documents or render advice in any form to LSA and/or a donor to LSA, it shall be disclosed to the donor that the professional involved is in the employ of LSA and is not acting on behalf of the donor and that any documents or other advice rendered in the course of the relationship between LSA and the donor should be reviewed by counsel for the donor prior to completion of the gift.

### **Determination of Policy**

It is the responsibility of the Secretary-Treasurer to offer revisions as needed to this policy, from time to time, for the EC's review and approval. Exceptions to this policy may be made only upon the approval of the Finance Committee.