

**ElderSource, Inc.  
Policies and Procedures**

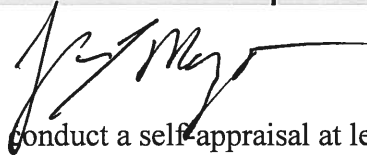
**Policy Title: Board Assessment**

**Date Adopted: July 21, 2010**

**Policy Number: G-11**

**Dates Revised:**

**Approval Signature:**



**Policy:** The board shall conduct a self-appraisal at least every two years to identify areas and actions for improvement.

**Procedure:**

The board of ElderSource, Inc. will conduct a self-assessment every 2 years at a time determined by the board chair after consultation with the chief executive. The board should review the most recent organizational strategic plan for the organization adopted by the board. After reviewing the goals achieved, the goals unmet, and the goals that need modification, the board will conduct a self-assessment.

**ElderSource, Inc.**  
**Policies and Procedures**

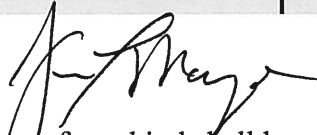
**Policy Title: Board Member  
Compensation**

**Date Adopted: July 21, 2010**

**Policy Number: G-3**

**Dates Revised:**

**Approval Signature:**



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

**Procedure:**

In order to avoid a conflict-of-interest situation between an individual board member and ElderSource, Inc. the following procedure will be observed:

1. If the board member is asked or volunteers to perform a service in his or her capacity as a board member, the board member will not charge or be reimbursed for the service. Example: A board-member attorney is requested by the board to research and/or give an opinion regarding director liability. That task will be done by the attorney as a volunteer board member at no charge.
2. If the board member is requested by the organization to perform a service or provide a product to the organization, competitive bids will be sought and/or comparable valuation determined. If the contract is awarded by a vote of the disinterested directors, the board member will be paid accordingly for the service or product.

**ElderSource, Inc.**  
**Policies and Procedures**

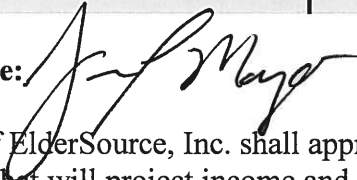
**Policy Title: Budgeting**

**Date Adopted: July 21, 2010**

**Policy Number: G-9**

**Dates Revised:**

**Approval Signature:**



**Policy:** The board of ElderSource, Inc. shall approve an annual operating budget for each calendar/fiscal year that will project income and expenses and will provide for programs and support services as outlined in the work plan for the year.

**Procedure:** The board will approve the annual budget, inclusive of the annual budget for its subsidiaries, prior to the start of the fiscal/calendar year.

The board authorizes the chief executive to manage the organization in accordance with the approved annual operating budget.

**ElderSource, Inc.**  
**Policies and Procedures**

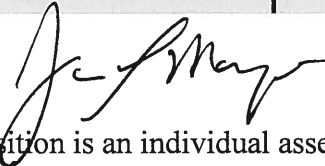
**Policy Title: Capital Expenditures**

**Date Adopted: July 21, 2010**

**Policy Number: G-10**

**Dates Revised:**

**Approval Signature:**



**Policy:** A capital acquisition is an individual asset and/or class of assets that has a useful life of more than one year and a cost of \$1,000 or more. Anticipated capital acquisitions shall be included in the normal budgetary process, and when necessary, as part of the separate capital acquisitions budget. The annual budget shall include purchase requests for all new and replacement acquisitions.

**Procedure:**

*Purchasing*

Any equipment with an estimated value of \$2,500 or more shall be purchased through competitive bidding or comparative pricing by at least three vendors whenever possible. Comparative pricing or competitive bidding should also be used periodically for regularly purchased materials, supplies, services, and insurance.

*Executive Authority*

The chief executive shall have the authority to make purchases that are part of the approved annual budget without additional approval from the board. Such acquisitions shall be reported to the board at their next regular meeting.

*Discretionary Fund*

The chief executive shall have the authority to spend up to \$1,000 from the discretionary fund on any single acquisition without prior approval from the board. Such acquisitions shall be reported to the board at their next regular meeting.

*Property*

The board must approve the purchase or disposition of any capital asset with a value of \$5,000 or more. The purchase or sale of any capital asset of higher value shall be approved by the board. Purchase or sale of any real estate must be approved by the board.

**ElderSource, Inc.**  
**Policies and Procedures**

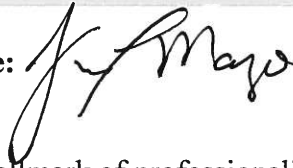
**POLICY TITLE:**  
**CONFIDENTIALITY POLICY**

**Date Adopted: July 21, 2010**

**Dates Revised:**

**Policy Number: G-2**

**Approval Signature:**



**Policy:**

Confidentiality is a hallmark of professionalism. ElderSource, Inc. employees and trustees

1. Ensure that all information that is confidential or privileged or that is not publicly available is not disclosed inappropriately.
2. Ensure that all nonpublic information about other persons or firms acquired by ElderSource, Inc. personnel in dealing with outside firms on behalf of ElderSource, Inc. is treated as confidential and not disclosed.

The following policies apply to members of the ElderSource, Inc. board, its staff, volunteers, and to members of committees authorized by the board. References in the policies to board members are intended also to apply to committee members.

1. Board and Committee Meetings: On any vote of the board, both the numbers of affirmative and negative votes and the individual votes of board members, unless specifically requested by a member otherwise, shall be confidential but the record of individual votes must be kept on file.
2. Board, committee, and staff members shall not disclose to anyone outside of ElderSource, Inc. the statements, positions, or votes by any board or committee member on actions taken by the board or its committees. Only in extraordinary situations will a board or committee member disclose his or her position or vote on a board or committee action, and only after advising the board's chair before making such a disclosure.
3. The general "sense of the board" on a particular matter may be conveyed to an applicant, grantee, vendor, or donor when the sharing of such information is helpful in conveying the board's concerns. However, such information should only be shared with the concerned party. In addition, such information may be shared with a donor or with another grantmaker when the information has been requested and is deemed important in helping the donor or grantmaker arrive at an informed decision on a grant proposal or opportunity.
4. Executive Sessions: The minutes of the board meeting shall indicate when the board goes into executive session but shall not normally reflect any of the topics or discussion that occurs in executive session. However, when the board takes an

action in executive session that needs to be recorded, the board chair will provide any such text that is to be included in the official minutes of the meeting.

5. Board and Program Committee Docket: The docket prepared for the board and staff is confidential and should be treated as an internal document restricted to ElderSource, Inc. use. No portion of the docket may be shared, in written or oral form, with any individual or with any organization outside of ElderSource, Inc. Exceptions may be made only with the consent of the chief executive.
6. Personal Information on Staff and Board Members: The home addresses, telephone numbers, fax numbers, and e-mail addresses of board, committee, and staff members are not to be given out to any individual or organization without the express permission of the person to be disclosed.

# **ElderSource, Inc.**

## **CONFIDENTIALITY POLICY ACKNOWLEDGEMENT**

In signing this statement, I confirm that I have received a copy of the Confidentiality Policy of ElderSource, Inc. and agree to abide by the guidelines set forth therein.

---

Please print name: Board Member or Committee Member

---

Signature: Board Member or Committee Member

Date

**ElderSource, Inc.**  
**Policies and Procedures**

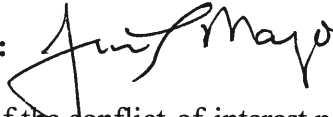
**Policy Title: Conflict of Interest**

**Date Adopted: July 21, 2010**

**Policy Number: G-1**

**Dates Revised:**

**Approval Signature:**



**Policy:** The purpose of the conflict-of-interest policy is to protect this tax-exempt organization's (ElderSource in Action) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**Definitions:**

1. Interested Person: Any director, principal officer, or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family
  - a. An ownership or investment interest in any entity with which the organization has a transaction or arrangement,
  - b. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement.
3. Compensation: Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Procedures, paragraph 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

**Procedure:**

1. Duty To Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of



committees with governing board–delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest:**
  - a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The chair of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the governing board or committee shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
4. **Violations of the Conflicts-of-Interest Policy:**
  - a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
5. **Records of Proceedings:**The minutes of the governing board and all committees with board-delegated powers shall contain:
  - a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed

- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings
6. Compensation:
  - a. A voting member of the governing board who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
  - b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
  - c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
7. Annual Statements: Each director, principal officer, and member of a committee with governing board-delegated powers shall annually sign a statement that affirms such person
  - a. Has received a copy of the conflict-of-interest policy,
  - b. Has read and understands the policy,
  - c. Has agreed to comply with the policy, and
  - d. Understands the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.
8. Periodic Reviews: To ensure the organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
  - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining
  - b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction
9. Use of Outside Experts: When conducting the periodic reviews as provided for in Article VII, the organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**ElderSource, Inc.**  
**Policies and Procedures**

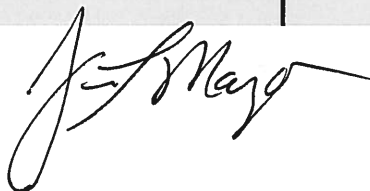
**Policy Title: POLICY FOR THE  
PROMOTION OF ETHICAL  
CONDUCT**

**Date Adopted: July 21, 2010**

**Dates Revised:**

**Policy Number: G-4**

**Approval Signature:**



**Policy:**

As a nonprofit organization at the forefront of providing services to elders and caregivers in the community, ElderSource, Inc.'s policy is to uphold the highest legal, ethical, and moral standards. Our donors and volunteers support ElderSource, Inc. because they trust us to be good stewards of their resources, and to uphold rigorous standards of conduct. Our reputation for integrity and excellence requires the careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

ElderSource, Inc. will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter and spirit of all relevant laws; to refrain from any illegal, dishonest, or unethical conduct; to act in a professional, businesslike manner; and to treat others with respect. Directors and officers should not use their positions to obtain unreasonable or excessive services or expertise from ElderSource, Inc.'s staff.

In general, the use of good judgment based on high ethical principles will guide directors, officers, and employees with respect to lines of acceptable conduct. However, if a situation arises where it is difficult to determine the proper course of conduct, or where questions arise concerning the propriety of certain conduct by an individual or others, the matter should be brought to the attention of ElderSource, Inc. Employees should contact their immediate supervisor and, if necessary, the Executive Director. Board members should raise any such concerns with the chair or the treasurer of ElderSource, Inc.'s board.

In all questions involving ethics and conduct, the board will make relevant determinations, except that any individual whose conduct is at issue will not participate in such decisions.

**ElderSource, Inc.**  
**Policies and Procedures**

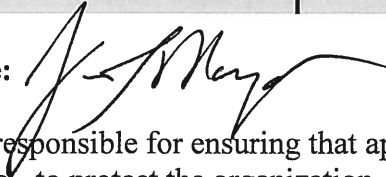
**Policy Title: Financial Controls**

**Date Adopted: July 21, 2010**

**Policy Number: G-7**

**Dates Revised:**

**Approval Signature:**



**Policy:** The board is responsible for ensuring that appropriate internal controls are in place – and adhered to - to protect the organization. These internal controls ensure that the organization is using generally accepted accounting principles, complying with applicable laws and regulations, providing reliable financial information, and operating efficiently.

**Procedure:**

*Accounts*

ElderSource in Action shall maintain its accounts in financial institutions that are federally insured. All funds received by ElderSource, Inc. shall be deposited daily. All nonproductive funds shall be invested in accordance with the investment policy established by the board.

*Authority To Sign*

Orders of withdrawal shall bear the signature of one of the following officers or staff members:

- Board chair
- Treasurer
- Chief executive
- Chief financial officer

In addition, any checks issued over \$5,000 shall require two signatures, and any checks payable to any one of the above-named persons shall be signed by someone other than the payee.

*Bonding*

Each officer or designated signatory with authority to withdraw funds shall be bonded. The cost associated to secure the aforementioned coverage for ElderSource, Inc. and subsidiaries shall be that of ElderSource, Inc. The amount of insurance coverage will be reviewed annually by ElderSource, Inc.

*Semi-Annual Review*

The board shall, on a semi-annual basis, review financial reports.

**ElderSource, Inc.**  
**Policies and Procedures**


**Policy Title: Record Retention and Document Destruction**

**Date Adopted: July 21, 2010**

**Policy Number: G-6**

**Dates Revised:**

**Approval Signature:**



**Policy:** The corporate records of ElderSource, Inc. and its subsidiaries (hereafter the "organization") are important assets. In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by ElderSource, Inc. in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate ElderSource, Inc.'s operations by promoting efficiency and freeing up valuable storage space.

**Procedure:**

*Document Retention*

ElderSource, Inc. follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

*Corporate Records*

Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years

*Accounting and Corporate Tax Records*

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
IRS Form 990 Tax Returns	Permanent
General Ledgers	[7 years/Permanent]
Business Expense Records	7 years
IRS Forms 1099	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records (box office, concessions, gift shop)	5 years
Petty Cash Vouchers	3 years
Cash Receipts	3 years
Credit Card Receipts	3 years
<i>Bank Records</i>	
Check Registers	[7 years/Permanent]
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years
<i>Payroll and Employment Tax Records</i>	
Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax Returns	7 years
W-2 Statements	7 years
<i>Employee Records</i>	
Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion, or Discharge	7 years after termination
Accident Reports and Worker's Compensation Records	5 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 Forms	3 years after termination
Time Cards	2 years
<i>Legal, Insurance, and Safety Records</i>	
Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Insurance Policies	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 years after expiration

OSHA Documents  
General Contracts

5 years  
3 years after termination

#### *Electronic Documents and Records*

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

#### *Emergency Planning*

Friends of ElderSource's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping ElderSource, Inc. operating in an emergency will be duplicated or backed up at least every week and maintained off-site.

#### *Document Destruction*

ElderSource, Inc.'s chief financial officer is responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

#### *Compliance*

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against ElderSource, Inc. and its employees and possible disciplinary action against responsible individuals. The chief financial officer and treasurer will periodically review these procedures with the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

**ElderSource, Inc.**  
**Policies and Procedures**

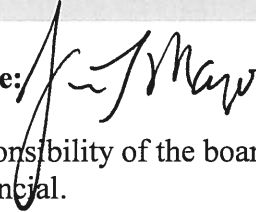
**Policy Title: Risk Management**

**Date Adopted: July 21, 2010**

**Policy Number: G-8**

**Dates Revised:**

**Approval Signature:**



**Policy:** It is the responsibility of the board to safeguard the organization's resources – both human and financial.

**Procedure:**

ElderSource, Inc. is committed to protecting its human, financial, tangible, real estate, and goodwill assets and resources, including that of its subsidiaries through the practice of effective risk management. ElderSource, Inc.'s board and management are dedicated to safeguarding the safety and dignity of its paid and volunteer staff, its clients, and anyone who has contact with the organization and its subsidiaries. To this end, the board will ensure that the organization has a risk management plan for the organization and its subsidiaries that is reviewed and updated on an annual basis.



**ElderSource, Inc.**  
**Policies and Procedures**

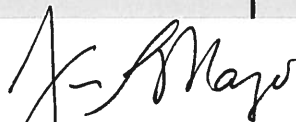
**Policy Title: Whistleblower**

**Date Adopted: July 21, 2010**

**Policy Number: G-5**

**Dates Revised:**

**Approval Signature:**



**Policy:** ElderSource in Action's Code of Ethics and Conduct ("Code") requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

**Procedure:**

*Reporting Responsibility*

It is the responsibility of all directors, officers, and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

*No Retaliation*

No director, officer, or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the organization prior to seeking resolution outside the organization.

*Reporting Violations*

The Code addresses the organization's open-door policy and suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management who you are comfortable approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the organization's Executive Director, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the organization's open-door policy, individuals should contact the organization's compliance officer directly.

*Executive Director*

The organization's Executive Director is responsible for investigating and resolving all

reported complaints and allegations concerning violations of the Code and, at his or her discretion, shall advise the Board of Directors.

*Accounting and Auditing Matters*

The board shall address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The Executive Director shall immediately notify the board of any such complaint and work with the board until the matter is resolved.

*Acting in Good Faith*

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

*Confidentiality*

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

*Handling of Reported Violations*

The Executive Director will notify the sender and acknowledge receipt of the reported violation or suspected violation within 3 business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.