



**NYSID
CORPORATE COMPLIANCE PLAN**

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OVERVIEW

For more than forty years, New York State Industries for the Disabled, Inc. (NYSID) - a not-for-profit member agency organization -has been meeting the purchasing needs of state and local government agencies while advancing employment for New Yorkers with disabilities.

NYSID's mission is *“Advancing employment and other opportunities for individuals with disabilities.”* Its vision is *“To be the premier job creation entity for individuals with disabilities through Preferred Source growth, business innovation, partnerships, and employment advocacy in New York and beyond.”*

Under the New York State Preferred Source Program, NYSID acts as a “virtual storefront” for a statewide network of more than 150 community rehabilitation agencies and corporate partners that employ skilled people with disabilities in both facility-based settings and community-based jobs.

To preserve and enhance NYSID's well-deserved reputation, everyone associated with NYSID, including its Board of Directors, management and staff members, must share a commitment not only to NYSID's mission but also to compliance with the numerous laws, regulations, and policies that govern NYSID's conduct.

NYSID developed this Corporate Compliance Plan to assist it in meeting its long-range strategic objectives. In this Plan, NYSID has summarized the internal and external provisions that govern various legal and ethical requirements that NYSID must meet. The Plan is composed of three basic elements:

- A. Code of Ethical Business Conduct
- B. “Whistle-Blower” Policy
- C. Records Retention Policy

A failure to follow existing law can damage NYSID's reputation and threaten its ability to carry out its mission. Unlawful behavior also may result in criminal liability and fines.

Individuals who knowingly violate or recklessly disregard this Compliance Plan, or the laws, regulations and policies which govern NYSID will face severe consequences, including termination.

NYSID's ability to achieve compliance with the law depends upon its ability to recognize, avoid, and remedy existing problems. NYSID's compliance, therefore, depends not only upon a choice to “follow the rules” but also an obligation to its mission, its institution, and all those who serve NYSID in any capacity.

Through NYSID's collective efforts it is confident that it can and will enhance its existing reputation for integrity and excellence.

A. CODE OF ETHICAL BUSINESS CONDUCT

Introduction

NYSID recognizes that there may be instances where an employee, volunteer or Director may learn of practices at NYSID that may be of concern. While there are many different ways for an employee, volunteer or Director to address those concerns, NYSID recognizes that the choice will likely depend upon relationships with the particular individuals involved in the conduct at issue; upon relationships with supervisors; or upon knowledge of the laws, regulations and policies governing the practice that is of concern. NYSID wants to assure employees, volunteers and Directors that this Compliance Plan, as well as the Compliance Officer, exist to help them when they are unable, for any reason, to assure themselves that the conduct in question is in fact appropriate, or if an individual believes that the problem has not been effectively remedied. In those instances, NYSID fully expects that individuals will promptly inform the Compliance Officer of the issue. The Compliance Officer is committed to ensuring full compliance with all existing laws, rules, regulations, protocols and policies that govern NYSID.

The Compliance Officer

NYSID's Vice President, Compliance, has been selected as the NYSID Compliance Officer (the "Compliance Officer") to aid in identifying any potential areas of non-compliance through audits, to assist in investigating areas of concern raised by employees, volunteers, Directors, or others, and to remedy any deficiencies. The Compliance Officer is responsible for overseeing the development and implementation of policies and procedures that govern NYSID's compliance efforts, informing appropriate individuals of this Compliance Plan, and providing any necessary training. These policies and procedures will be reviewed at least annually and revised if necessary. The Compliance Officer's work will be confidential to the extent possible and practicable. If requested, the Compliance Officer also will make all reasonable efforts to protect the identity of the reporting individual. When the Compliance Officer completes any necessary investigation, or implements any necessary steps to address the problems detected, the Compliance Officer will, whenever appropriate, inform the reporting individual of the result of the investigation and of any action taken concerning the issue presented.

The Compliance Officer reports directly to the President and CEO and to the Chairperson of NYSID's Conflicts and Ethics Committee.

The Process

NYSID employees, volunteers and Directors are strongly encouraged to bring any concerns regarding violations of this Code of Ethical Business Conduct to the attention of the Compliance Officer. Reports may be made in person, in writing, or over the telephone. Written communications should be marked "CONFIDENTIAL." Although reports may be made anonymously, in order for the Compliance Officer to obtain more information from or respond to the reporting individual, the reporting individual should provide his or her name when the report is made. As an alternative, an employee, volunteer or Director may also report violations of the Code of Ethical Business Conduct through an independent third-party organization ("TPO") with

whom NYSID contracts to receive such reports. Reports made to the TPO will be referred to the Compliance Officer for investigation. More information regarding reporting to the TPO is provided in the “Reporting” section of the Whistle-blower Policy described below.

All reports and communications received will be kept confidential to the extent possible and practicable. The Compliance Officer will review reports and assist in deciding upon an appropriate investigation. Upon conclusion of the investigation, with the advice of legal counsel, if necessary, the Compliance Officer will determine any follow-up action to be taken. Any concerns about the Compliance Officer or the Compliance Officer’s actions or determination shall be brought directly to the President and CEO, the Chairperson of the Board of Directors of NYSID, or to the TPO who will refer the concern to the President and CEO.

ELEMENTS OF NYSID’S CODE OF ETHICAL BUSINESS CONDUCT

The following summarizes the conduct expected from all of NYSID’s employees, volunteers, Directors, and other individuals associated with NYSID, and highlights certain key areas where the potential for concerns may be significant. This Code does not replace NYSID’s Human Resources Policies and Procedures Manual (“HR Manual”), but it should provide additional useful guidance, make individuals sensitive to potential problems they may face, and help individuals to avoid particular pitfalls. Directors, officers, and Key Persons should refer to NYSID’s Code of Ethics as a supplement to this Code of Ethical Business Conduct. All employees of NYSID, whether at the senior executive level or otherwise, are expected to act ethically and appropriately at all times, and these ethical expectations are incorporated within this Code of Ethical Business Conduct.

Key Areas

NYSID is subject to many state, federal and local laws, together with various internal policies and protocols, including NYSID’s Human Resources Policies and Procedures. Employees should refer to the Human Resources Manual as a first reference for guidance. NYSID has attempted to summarize below the general obligations arising in other key areas of NYSID’s operations. The key areas are:

1. Conflicts of Interest and Corporate Opportunities
2. Confidentiality
3. Protection and Proper Use of NYSID Assets
4. Gifts and Gratuities
5. Verification of Employment
6. Information System Issues
7. Not-for-Profit and Tax Exemption Considerations
8. Political Activity
9. Wage and Hour Issues

1. Conflicts of Interest and Corporate Opportunities

A conflict of interest may arise where an employee, volunteer, or Director stands to benefit personally as a result of a transaction or other arrangement involving NYSID, or where the interests of an employee, volunteer, or Director could be seen as competing with the interests of NYSID. All NYSID employees, volunteers, and Directors owe loyalty to the organization and, therefore, should avoid any actual or apparent conflicts of interest to the extent possible. While conflicts can arise in many different contexts, in general NYSID expects that all employees, volunteers, and Directors will put the interests of NYSID ahead of their personal concerns, and will not seek to benefit themselves at the expense of, or as a result of, their affiliation with NYSID.

A NYSID employee with a potential or actual conflict of interest in a particular matter shall promptly and fully disclose the conflict to his or her supervisor. Directors, officers, and Key Persons of NYSID, as defined in the Conflict of Interest Policy included as Attachment A, shall instead follow the conflict disclosure procedures described in the Conflict of Interest Policy.

In addition, in carrying out their duties and responsibilities, employees, volunteers, and Directors should advance the interests of NYSID when the opportunity to do so arises. As such, they should avoid (a) taking for themselves personally or for any family member opportunities that are discovered in carrying out their duties and responsibilities, (b) using NYSID property or information, or their positions at NYSID, for personal gain, and (c) competing with NYSID, in each case, to the material detriment of NYSID. (Whether any of the foregoing actions is to the material detriment of NYSID will be determined by the Board of Directors of NYSID or a duly authorized committee of the Board, based on all relevant facts and circumstances.)

2. Confidentiality

Employees, volunteers, and Directors should observe the confidentiality of information that they acquire in carrying out their duties and responsibilities, except where disclosure is approved by NYSID or legally mandated. Confidential information includes, but is not limited to, all non-public information about NYSID or its member organizations. Employees should refer to the HR Manual for further information regarding disclosure of confidential information.

3. Protection and Proper Use of NYSID Assets

Employees, volunteers, and Directors should promote the responsible use and control of NYSID's assets and resources. NYSID assets, such as information, materials, supplies, tax exemption certificates, intellectual property, facilities, software, and other assets owned or leased by NYSID, or that are otherwise in NYSID's possession, should be used only for legitimate purposes of NYSID, and not for personal use.

4. Gifts and Gratuities

Employees, volunteers, and Directors should be aware that the receipt or giving of gifts by NYSID personnel may raise questions about relationships with NYSID's member agencies, vendors, governmental officials, or others with whom NYSID interacts. NYSID must always

refrain from activities that could possibly be construed as an attempt to improperly influence these relationships. Employees, volunteers, and Directors should not offer or receive a gift in circumstances where it could appear that the purpose of the gift is to improperly influence NYSID's relationship with a vendor, regulator, or other person or entity.

It is NYSID's policy to reimburse its employees, volunteers, Directors, and other agents for all reasonable expenses, including meals, entertainment, and travel, that are appropriately incurred while conducting NYSID's business. Rarely, therefore, will justification exist for an individual to permit someone else to pay for such items. NYSID is confident that if individuals follow NYSID policy and exercise reasonable judgment and common sense with respect to gifts and gratuities, individuals will avoid situations that might bring their or NYSID's integrity into question. If individuals have any questions in connection with the receipt or offer of gifts and gratuities, they should consult their supervisors or the Compliance Officer. Any concerns regarding violations of policy in this area should be brought to the attention of the Compliance Officer or to the TPO.

5. Verification of Employment

NYSID fully complies with all federal immigration laws and will employ only individuals legally eligible for employment in the United States. Failure to provide acceptable documentation by the legal deadline will result in termination of employment.

6. Information Systems Issues

NYSID employees, volunteers, and Directors are responsible for maintaining and protecting the information used by them in connection with their duties. For example, individuals must not make inappropriate or unauthorized modifications of information, or destroy or disclose information, except as authorized. Additionally, no individual may, without the prior written consent of NYSID, use for his or her own benefit or disclose to others any confidential information obtained during employment.

Documents containing sensitive data must not be left in public view or in an unsecured location. Individuals also must be careful when they enter, secure, and store computer data. Employees should refer to the HR Manual for appropriate procedures with respect to any reports or issues concerning information systems.

7. Not-for-Profit and Tax Exemption Considerations

NYSID is exempt from federal income taxation as a not-for-profit entity organized and operated for a charitable purpose. To maintain this exemption, NYSID cannot act for the benefit of a particular individual or entity. Such conduct, commonly referred to as "private inurement," is improper. Generally speaking, NYSID cannot authorize or pay compensation and benefits in excess of the "fair market value." Similarly, NYSID must receive fair market value for things such as space rented by particular individuals, or services or materials purchased by particular individuals. If fair market value is not paid or received, it could be determined that NYSID has allowed its exempt assets to benefit a private individual, and a private inurement violation can be established.

Sanctions can include civil liability, including personal liability for Directors, officers, and the individual receiving the improper benefit. Additionally, NYSID could lose its tax-exempt status. It is therefore crucial that private inurement issues be avoided. Questions regarding these issues or potential problems in this area should be referred to the Compliance Officer or to the TPO.

8. Political Activity

Federal and state laws limit the way in which NYSID as an institution may participate in the political process. For example, NYSID is expressly prohibited by law from contributing to political candidates or officeholders. Employees, volunteers, and Directors, of course, may personally participate in the political process if they desire to do so. Such participation, to the extent it includes campaigning or soliciting political support or contributions, must take place off NYSID premises. NYSID's assets also cannot be used to support political activity or political candidates. Employees, volunteers, and Directors should not use their affiliation with NYSID in such a way as to suggest or imply that NYSID, as opposed to the individual personally, supports a particular candidate, party, or issue. Questions regarding these issues or potential problems in this area should be referred to the Compliance Officer or to the TPO.

9. Wage and Hour Issues

Wage and hour laws of the Federal government and the State of New York establish certain standards and requirements with regard to records of hours worked and overtime payments. NYSID conforms to and complies with these regulations. Employees are entitled to receive fair and equitable wages and benefits in connection with services provided to NYSID, and employees may receive overtime pursuant to applicable NYSID policies and contracts. Employees should refer to the HR Manual for appropriate procedures with respect to any reports or issues concerning wage and hour laws or other related provisions.

B. “WHISTLE-BLOWER” POLICY

In keeping with the policy of maintaining the highest standards of conduct and ethics, NYSID will investigate any suspected fraudulent or dishonest use or misuse of NYSID’s resources or property by employees, volunteers, Directors, consultants or vendors. NYSID is committed to maintaining the highest standards of conduct and ethical behavior and promotes a working environment that values respect, fairness and integrity. All employees, volunteers, Directors, consultants, and vendors shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible termination of employment or business relationships, dismissal from one’s Board duties, and possible civil or criminal prosecution if warranted.

This policy shall be distributed to all Directors, officers, employees and volunteers who provide substantial services to NYSID.¹

Employees, volunteers, and Directors are encouraged to report suspected fraudulent or dishonest conduct (i.e. to act as a “whistle-blower”), pursuant to the procedures set forth below.

Reporting

A person’s concerns about possible fraudulent or dishonest use or misuse of NYSID resources or property should be reported to his or her supervisor or to the Compliance Officer. If for any reason a person finds it difficult to report his or her concerns to a supervisor or to the Compliance Officer, the person may report the concerns directly to one of the following:

- the President and CEO; or
- NYSID’s third-party independent reporting organization (“TPO”) Navex Global at (888) 297-0224 or online at <http://www.navexglobal.com>.²

Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to the TPO.

The Board of Directors of NYSID will oversee the implementation of and compliance with this policy. The Compliance Officer is designated to act as administrator of this policy and shall report to the Conflicts and Ethics Committee on the administration of this policy.

¹ Note that per Section 715-B(b)(4) of the New York Not-for-Profit Corporation Law, posting the policy on NYSID’s website or at NYSID’s offices in a conspicuous location accessible to employees and volunteers are among the methods that NYSID may use to satisfy this distribution requirement.

² The hotline and website are currently staffed and supported by independent third-party organization Ethics Point, Inc.

Definitions

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by NYSID and/or legal claims by individuals accused of such conduct.

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

- forgery or alteration of documents;
- unauthorized alteration or manipulation of computer files;
- fraudulent financial reporting;
- pursuit of a benefit or advantage in violation of NYSID's Code of Ethical Business Conduct, including the Conflict of Interest Policy;
- misappropriation or misuse of NYSID resources, such as funds, supplies, or other assets;
- authorizing or receiving compensation for goods not received or services not performed; and
- authorizing or receiving compensation for hours not worked.

Whistle-Blower: An employee or other individual who informs a supervisor, the Compliance Officer or other party about an activity relating to NYSID which that person believes to be fraudulent or dishonest.

Rights and Responsibilities

Supervisors: Supervisors are required to report suspected fraudulent or dishonest conduct to one of the following: NYSID's Compliance Officer, the Board Chair, the President and CEO, or the TPO.

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

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

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Supervisors, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform any investigative or other

follow up steps on their own. Accordingly, a supervisor who becomes aware of suspected misconduct:

- should not contact the person suspected to further investigate the matter or demand restitution.
- should not discuss the case with attorneys, the media or anyone other than the Compliance Officer, TPO, Board Chair, or the President and CEO.
- should not report the case to an authorized law enforcement officer without first discussing the case with the Compliance Officer, Board Chair, or the President and CEO.

Investigation

All relevant matters, including suspected but unproved matters, will be reviewed and analyzed, with documentation of the receipt, retention, investigation and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and to the extent it is appropriate to do so, findings will be communicated back to the reporting person and his or her supervisor. Investigations may warrant investigation by an independent person such as auditors and/or attorneys. Directors who are employees of NYSID may not participate in Board or committee deliberations or votes relating to administration of this policy. In addition, any person who is the subject of a complaint made pursuant to this policy may not be present at or participate in any Board or committee deliberations or votes on the matter relating to the complaint. However, the Board or relevant committee may request that such person present background information or answer questions at a meeting prior to the commencement of deliberations and voting.

Whistle-Blower Protection

NYSID will protect whistle-blowers as defined below.

- NYSID will use its best efforts to protect whistle-blowers against retaliation. Whistle-blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law.
- No Director, officer, employee, or volunteer who, in good faith, reports any action or suspected action taken by or within NYSID that is illegal, fraudulent, or in violation of any adopted policy of NYSID shall suffer intimidation, harassment, discrimination, or other retaliation or, in the case of employees, adverse employment consequences. Employees, volunteers, Directors, and other agents of NYSID may not retaliate against a whistle-blower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistle-blower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistle-blowers who believe that they have been retaliated against may file a written complaint

with the Compliance Officer, Board Chair, or President and CEO. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

- Whistle-blowers must be cautious to avoid baseless allegations (as described earlier in the “definitions” section of this policy).

C. RECORDS RETENTION POLICY

The goals of this policy are:

- (1) to ensure that all non-critical records are retained for no longer than the minimum period required by law;
- (2) to eliminate accidental or innocent destruction of business records;
- (3) to ensure that all critical records are retained for a sufficient period of time; and
- (4) to ensure that records are destroyed only pursuant to a standard policy which has been developed for business reasons.

This policy shall apply to all records regardless of whether the records are stored on paper or on computer hard drives, floppy disks or other electronic media. See Attachment "C" to this Plan for the "Guidelines for Disposition of Emails."

Also attached to this Plan is a "Records Retention Schedule" (Attachment "D"). This Schedule sets forth the recommended retention periods for each category of records. The categories are intended to be general and should be interpreted as including all types of records relating to that category, including correspondence, notes, reports, etc. Documents that are sent to storage should be identified by category and should indicate a planned destruction date determined in accordance with the attached schedule. The individual responsible for carrying out this policy shall use these dates to identify records ready for destruction.

Individual department managers are responsible for the overall administration and enforcement of this policy. The Compliance Officer must monitor compliance with the retention periods and is specifically charged with overseeing periodic reviews of records in accordance with the policy. Oversight shall include creation of an index of active and inactive records as well as maintaining a "log book" in which all destroyed documents are recorded.

The legally-required retention periods set forth on the attached schedule presumes the operation of NYSID in the "ordinary course of business." Destruction of records relating to litigation or governmental investigations may constitute a criminal offense. The Compliance Officer shall be responsible for suspending destruction of any records as soon as litigation, federal government investigation, civil action, audit by a governmental agency or enforcement proceeding is suspected, reasonably anticipated or is commenced against NYSID, its officers, directors or employees. The Compliance Officer shall be responsible for notifying individuals at NYSID responsible for record retention activities to ensure that destruction of records is suspended until the litigation, investigation or proceeding is complete.

The Sarbanes-Oxley Act of July 30, 2002, makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of employees, volunteers, and Directors to follow this policy can result in possible civil and criminal sanctions against NYSID and its employees and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee,

volunteer, and Director has an obligation to contact the Compliance Officer of a potential or actual litigation, external audit, investigation or similar proceeding involving NYSID that may have an impact as well on the approved records retention schedule.

ATTACHMENT “A”
CONFLICT OF INTEREST POLICY

Background

The Directors, officers and key persons of New York State Industries for the Disabled, Inc. (“**NYSID**”) and any Affiliate of NYSID (together, “**Covered Persons**”) are responsible for upholding the public trust, and are called to a higher standard of stewardship in order to help NYSID to maintain the special privileges that it is afforded as a tax-exempt organization.

The Board of Directors of NYSID (the “**Board**”) has adopted this Conflict of Interest Policy (this “**Policy**”) in order to identify and resolve any possible conflicts between the personal interests of Covered Persons and the interests of NYSID, and thereby to help Covered Persons ensure that their actions meet or exceed this higher standard of stewardship.

As a federally tax-exempt organization, NYSID is subject to the requirements of Section 4958 of the Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder with respect to various dealings with disqualified persons. It is also subject to the New York Not-for-Profit Corporation Law with respect to its governance, including its procedures for handling conflicts of interest. The New York Non-Profit Revitalization Act of 2013 imposes several new requirements with respect to conflicts of interest, in addition to case law and common law that deals with these concerns. This Policy is intended to help NYSID to comply with these various federal and state law requirements.

No policy can anticipate the fullest range of factual circumstances which may entail a conflict of interest. Accordingly, it is important to interpret and apply this Policy in a way which best assists NYSID in meeting its obligations under the law.

Questions arising under this Policy should be forwarded to NYSID’s Vice President, Compliance (the “**Compliance Officer**”).

1. **Definitions**

- a. Affiliate – any entity controlled by or in control of NYSID.
- b. Related Party – any of the following:
 - i. The following living relatives of each Covered Person: spouse or domestic partner (as defined in New York Public Health law Section 2994-A); ancestors; brothers and sisters (whether whole or half-blood); children (whether natural or adopted); grandchildren; great-grandchildren; and spouses or domestic partners of brothers, sisters, children, grandchildren, and great-grandchildren.

- ii. Any entity or trust of which any individual described in subsection (i) above serves as a director, trustee, officer, or employee; and
 - iii. Any entity or trust in which any one or more individuals described in subsection (i) above have a 35% or greater ownership interest (or, in the case of partnerships or personal service corporations, a direct or indirect ownership interest of more than 5%).
- c. Key Person – any person, other than a director or officer, whether or not an employee of NYSID or an Affiliate, who (i) has responsibilities or exercises powers or influence over NYSID or an Affiliate as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages NYSID or an Affiliate, or a segment of NYSID or such Affiliate that represents a substantial portion of the activities, assets, income, or expenses of NYSID or such Affiliate; or (iii) alone or with others controls or determines a substantial portion of NYSID’s or an Affiliate’s capital expenditures or operating budget.

2. Application of Policy

This Policy applies whenever there is any proposed transaction, investment, arrangement, grant, program, or other activity in which (a) NYSID or an Affiliate would be a participant and one or more Covered Persons or Related Parties would have a financial interest or (b) there could be an actual or perceived conflict of interest in which the interests of a Covered Person or Related Party could be seen as competing with the interests of NYSID or an Affiliate (any such arrangement, a “Covered Arrangement”).

3. Procedures under Policy

The Board or the Conflicts and Ethics Committee shall review and make determinations on Covered Arrangements pursuant to the following processes:

- a. *Disclosure* – a Covered Person has a duty to disclose in good faith to the Board or the Conflicts and Ethics Committee the material facts of any proposed Covered Arrangement in which such Covered Person or a Related Party of such Covered Person has an interest. This disclosure should be made prior to any consideration of such Covered Arrangement by the Board or the Conflicts and Ethics Committee or promptly after such Covered Person has knowledge of the relevant facts if he or she has no actual knowledge prior to the relevant Board or committee action. The disclosure of a relationship shall not, by itself, constitute a conflict of interest.
- b. *Recusal* – Any person having an interest in a Covered Arrangement shall refrain from participating in or attempting to influence any decisions or votes regarding the Covered Arrangement, and shall retire from the meeting during any deliberations or votes on such Covered Arrangement. At the request of the Board or the Conflicts and Ethics Committee, such person may present

background information or answer questions regarding the Covered Arrangement prior to deliberations or votes.

- c. *Approval* – The Board or the Conflicts and Ethics Committee shall approve a Covered Arrangement only where a majority of the members of the Board or the Conflicts and Ethics Committee, not including any person having an interest in the Covered Arrangement, determines that the Covered Arrangement is fair, reasonable, and in NYSID’s best interests. If a Covered Person or a Related Party has a substantial financial interest in a Covered Arrangement, the Board or the Conflicts and Ethics Committee must make its decision in consideration of appropriate data as to comparable alternative arrangements, to the extent such data are available.
- d. *Record-Keeping* – The Board or the Conflicts and Ethics Committee must adequately document its decision and deliberations in the corporate records. Such documentation must reflect that the Covered Arrangement was disclosed, its resolution and any determinations made, and that any interested persons did not vote and were not present during deliberations and vote. If alternative arrangements were required to be considered due to the presence of a substantial financial interest, the minutes shall document such consideration as well.

4. Annual Disclosure Statements

Prior to initial election and annually thereafter, each Covered Person shall complete, sign, and submit to the Secretary a written statement identifying, to the best of the Covered Person’s knowledge:

- a. Any entity or trust of which such Covered Person or a Related Party of such Covered Person is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee, and with which NYSID or an Affiliate is known to have (or is known to be in discussions to have) a relationship;
- b. Any transaction, agreement, or other arrangement in which NYSID or an Affiliate is a participant (or is known to be in discussions to be a participant) and in which the Covered Person or a Related Party of such Covered Person might have a conflicting interest; and
- c. Any other interests that could give rise to a Covered Arrangement.

The Secretary shall provide a copy of all completed disclosure statements to the Board or the Conflicts and Ethics Committee.

5. Adoption, Implementation, and Compliance

The Board may make changes to this Policy from time to time, as it deems appropriate, and will oversee the implementation of, and compliance with, this Policy. The Secretary will endeavor to ensure that all Covered Persons file disclosure statements in accordance with this Policy. If any Covered Person fails to comply with the Policy's disclosure requirements, the Secretary will report such failure to the Board or the Conflicts and Ethics Committee, which will take appropriate corrective action.

ATTACHMENT “B”

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

Please complete the following disclosure statements. Write “N/A” if a statement is not applicable. Please attach additional sheets if necessary. Terms used in this Disclosure Statement but not defined have the meanings ascribed to them in the Conflict of Interest Policy.

- (1) Please list all entities or trusts in which you or a Related Party of yours is a director, trustee, officer, member, owner (either as a sole proprietor or partner) or employee and with which NYSID or an Affiliate is known to have (or is known to be in discussions to have) a relationship (whether contractually or otherwise).

- (2) Please list any transaction, agreement, or other arrangement in which NYSID or an Affiliate is a participant (or is known to be in discussions to be a participant) and in which you or a Related Party of yours might have a conflicting interest.

- (3) Please list any other interests that you or a Related Party of yours may have that could give rise to a conflict of interest.

ACKNOWLEDGMENT

I acknowledge that (i) I have received and read the Conflict of Interest Policy of NYSID, (ii) I understand the Policy, (iii) I have abided by, and agree to continue to abide by, the Policy, and (iv) I have completed the foregoing Disclosure Statement to the best of my knowledge.

Signature: _____ **Date:** _____

Name: _____

Title(s): _____

ATTACHMENT “C”

GUIDELINES FOR DISPOSITION OF E-MAILS

Work related e-mail is a corporate record and must be treated as such. It is the responsibility of the sender of the e-mail message and the recipient of messages from outside NYSID to manage e-mail messages according to this records retention policy. E-mail that does not meet the definition of a record (i.e., personal e-mail or junk e-mail) should be deleted immediately from the system.

NYSID’s e-mail servers are NOT intended for long-term record retention. E-mail messages and any associated attachment(s) with retention periods greater than three (3) years should be kept in similar fashion to paper records or electronically stored in an appropriate file on the network drive, so that it may be maintained and stored in accordance with the records retention policy. It is important to note that the e-mail messages should be kept with the attachment(s). The printed or electronic copy of the e-mail must contain the following header information:

- who sent the message;
- to whom the message was sent;
- date and time message was sent; and
- subject.

When e-mail is used as a transport mechanism for other record types, it is possible, based on the content, for the retention and disposition periods of the e-mail and the transported record(s) to differ. In this case, the longest retention period shall apply.

An e-mail can be deleted once a paper copy has been printed or the e-mail has been stored electronically in a file on the network drive. The paper copy or the electronic copy must be retained for the correct time period as determined by this Record Retention Policy.

ATTACHMENT “D”
RECORDS RETENTION SCHEDULE

<u>CATEGORY OF FILE</u>	<u>ITEM</u>	<u>RETENTION PERIOD</u>
CORPORATE RECORDS	Articles of Incorporation	Permanent
	Bylaws	Permanent
	Board, standing and other committee meeting minutes and resolution s	Permanent
	Board, standing and other committee meeting agendas and materials	7 years
	Conflict of interest disclosure forms	7 years
FINANCE and ADMINISTRATION	Accounts payable ledger	7 years
	Accounts receivable ledger	7 years
	Audited financial statements	Permanent
	Auditor management letters	Permanent
	Audit work papers	7 years
	Bank deposits, statements and reconciliation s	7 years
	Budget information	7 years
	Charitable organization registration statements (filed with NYS Attorney General)	7 years
	Chart of accounts	Permanent
	Check register, vendor invoices and cancelled checks	7 years
	Contracts and agreements	7 years after all obligations end
	Donor fund statements	7 years
	Equipment files and maintenance records	7 years after disposition of equipment
	Expense reports	7 years
	General ledgers	Permanent
	Journal entries	7 years
	Monthly closing information and reports	7 years
	Treasurer ‘s reports	Permanent
	Investment manager and custodian contracts and related correspondence	Permanent
	Investment consultant reports	7 years
INSURANCE FILES	Policies -occurrence type	Permanent

<u>CATEGORY OF FILE</u>	<u>ITEM</u>	<u>RETENTION PERIOD</u>
	Policies - claims-made type	Permanent
	Fire inspection reports	7 years
	Claims (after settlement)	7 years
REAL ESTATE and OTHER TANGIBLE PROPERTY	Deeds	Permanent
	Leases (expired)	7 years after all obligations end
	Mortgages, notes and security agreements	7 years after all obligations end
	Purchase/Sale agreements	7 years after disposition of property
TAX	IRS audit closing letters	Permanent
	IRS exemption determination and related correspondence	Permanent
	Tax related correspondence with legal counsel or accountants	7 years after return is filed
	Tax returns	7 years after return is filed
	Tax return work papers	7 years after return is filed
DEVELOPMENT	Fund agreements (signed)	Permanent
	All correspondence and/or solicitation materials relating to terms of the fund	Permanent
	Bequest accounting records	7 years after estate is probated
	Charitable gift annuity contracts	Permanent
	Documents related to termination of a private foundation	Permanent
	Gift acknowledgments- standard	7 years
	Insurance policies for donors	Permanent
	Trust agreements and correspondence including agreements for pooled life income funds	Permanent
COMMUNICATIONS	Annual reports	After 7 years, keep 5 copies permanently
	Commissioned research reports/surveys	Permanent
	Other publications	Permanent

<u>CATEGORY OF FILE</u>	<u>ITEM</u>	<u>RETENTION PERIOD</u>
	Press clippings	Permanent
	Press releases	7 years
COMMUNITY PHILANTHROPY	Approved grant applications - all documentation supporting grant payment, including application/ recommendation, due diligence, grant agreement letters and post grant reporting, if any.	7 years after completion of grant period
	Declined/withdrawn grant applications	7 years after application is declined or withdrawn
	Listings of Board approved grants	Permanent
HUMAN RESOURCES	Benefits: retirement plans (plan descriptions, plan documents)	Permanent
	Benefits: welfare plans (plan descriptions, plan documents)	Permanent
	Consultant contracts/files	7 years after all obligations end
	Contracts with employees	7 years after all obligations end
	Employment applications and resumes -non-employees	1 year
	Employee hand books	Permanent
	Employee orientation and training materials	7 years after use ends
	Employee personnel files	7 years from date of termination
	IRS Form I-9 (store separate from personnel file)	Greater of 1 year after end of service, or 3 years
	Payroll records	Permanent
	Safety (OSHA) reports	Permanent
	Timesheets	7 years
	Withholding tax statements	7 years
	Workers compensation claims (after settlement)	10 years
TECHNOLOGY	Software licenses and support agreements	7 years after all obligations end

<u>CATEGORY OF FILE</u>	<u>ITEM</u>	<u>RETENTION PERIOD</u>
GENERAL ADMINISTRATION	Correspondence - general (other than correspondence having temporary, limited or transitory value)	7 years
	Correspondence - President and CEO	7 years
	Correspondence with legal counsel not otherwise listed	7 years
	Appointment calendars -President and CEO	7 years

ACKNOWLEDGMENT

I acknowledge receipt of the NYSID Corporate Compliance Plan, confirm my understanding of its contents and requirements, and affirm that I will abide by its Code of Ethical Business Conduct and comply with its policies throughout my employment and/or other affiliation with NYSID.

Signature

Date: _____