



*Fostering creativity in sustainability*

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# Human Impacts Institute's Policies

\* For Board to "discuss and adopt"

## General Organizational and Operating Policies

1. [Articles of Incorporation \(2011\)](#)
2. [Bylaws \(2014\)](#) (INCLUDES BELOW)- Adopted by board Aug 21, 2014
3. [Privacy Policy\\*](#)
4. [Conflict of Interest Policy](#)-- Adopted by board Aug 21, 2014
5. [MWBE Policy\\*](#) --Adopted by board April 10, 2016

## Fiscal Policies

- [Financial Policies and Procedures\\*](#) --Adopted by board April 10, 2016
  - [Accounting Procedures](#) --Adopted by board April 10, 2016
  - [Internal Controls](#) --Adopted by board April 10, 2016
  - [Security Policy\\*](#) --Adopted by board April 10, 2016
  - [Tax Compliance](#) --Adopted by board April 10, 2016
  - [Revenue & Accounts Receivable](#) --Adopted by board April 10, 2016
    - [Principle for corporate support or donations](#) --Adopted by board April 10, 2016
  - [Expense & Accounts Payable](#) --Adopted by board April 10, 2016
  - [Asset Management](#) --Adopted by board April 10, 2016
  - [Procurement\\*](#) --Adopted by board April 10, 2016
  - [Document retention policy\\*](#) --Adopted by board April 10, 2016
  - [Distinguish Admin, Fundraising, Program Expenses](#) --Adopted by board April 10, 2016
  - [Continuity of Operations Plan\\*](#) --Adopted by board April 10, 2016
  - [Emergency Preparedness Policy\\*](#) --Adopted by board April 10, 2016

**Employee Handbook**\* (in other document) --Adopted by board April 10, 2016

## **Employee Hiring Procedure Documents**

- **Employee/Consultant Checklist**
- **Draft contracts (volunteer, employee, consultant)**
- **Documents and process for joining Human Impacts Institute (i.e. background checks, IDs, 990, etc)**

## **Resources**

[Great Ideas for Policies](#)

[Compliance from Grants Gateway](#)

[Employee vs. Contractor Guides \(IRS and NYS\)](#)

# Articles of Incorporation

**CERTIFICATE OF INCORPORATION  
OF  
HUMAN IMPACTS INSTITUTE, INC.  
UNDER SECTION 402 OF THE  
NOT-FOR-PROFIT CORPORATION LAW**

The undersigned, a natural person of the age of eighteen or over, certifies:

1. The name of the Corporation is Human Impacts Institute, Inc. (the “Corporation”).
2. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law and shall be a Type B corporation under Section 201 of the Not-for-Profit Corporation Law.
3. The Corporation is formed for the purpose of fostering sustainable human impacts on ecosystems through community engagement, leadership, collaboration, knowledge-building and creative expression. We do this by connecting communities through a shared awareness of, and accountability for, the natural environment. In furtherance of these charitable and educational purposes, the Corporation shall:
  - a. Use local communities as an example in informational resource sharing and environmental awareness;
  - b. Sponsor experiential learning events and programming where contributors practice leadership through hands-on problem solving and community service responsibility for their environmental impacts;
  - c. Form collaborative partnerships--organizations through unite through programming partnerships, joint advocacy, and idea development;
  - d. Provide a gathering place for participatory research by students seeking to enrich their learning experience;
  - e. Disseminate information and provide technical assistance to individuals, organizations and communities on environmental responsibility and action;
  - f. Create a forum for creative expression where individuals have a low-cost means to trade and create art materials and use culture and art to inspire others to engage in environmental issues and solutions;
  - g. Produce policy recommendations and analysis based on the research and work of participants in the Institute; and
  - h. Maintain a website where information is freely disseminated on environmental issues and solutions.
4. In furtherance of the foregoing purposes, the Corporation shall have all the general powers enumerated in Section 202 of the Not-for-Profit Law and such other powers now or hereafter permitted by law for a corporation organized for the foregoing purposes, including the power to solicit grants and contributions for any corporate purpose.
5. Notwithstanding any other provision of this certificate, the Corporation is organized exclusively for charitable and educational purposes, and shall not carry on any activities not permitted to be carried

on:

- a. By a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, as it may be amended (the "Code"); or
  - b. By a corporation contributions to which are deductible under Section 170(c)(2) of the Code.
6. The Corporation is not formed for pecuniary profit or for financial gain and no part of its assets, income or profit shall inure to the benefit of, or be distributed to its members, trustees, directors, officers or other private persons, except that the Corporation shall be authorized to pay reasonable compensation for services rendered.
  7. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, unless otherwise attempting to influence legislation, except to the extent permitted by the Code pursuant to an election under Section 500(h) of the Code or otherwise, and the Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.
  8. Nothing herein shall authorize the Corporation to engage in any of the activities mentioned in Section 404(a) through (c) or Section 404(e) through (w).
  9. The principal office of the Corporation shall be located in Kings County, State of New York.
  10. The names and addresses of the initial directors, each of whom is of full age, are as follows:

NAME

Tara DePorte

312 South 3rd Street, Apt 6  
Brooklyn, NY, 11211, USA

Sally Newman

315 Bleecker Street #166  
New York, NY 10014

Amy Braunschweiger

144A Diamond St., 2nd floor  
Brooklyn, NY 11211

11. The Secretary of State is hereby designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary shall mail a copy of any process against the corporation served upon him is: 312 South 3rd Street, #7, Brooklyn, NY 11211.
12. In the event of dissolution, all of the assets and property of the Corporation remaining after payment of expenses and the satisfaction of all liabilities shall be distributed to organizations which qualify under Section 501©(3) of the Code or to the Federal government or State or local governments for a public purpose, subject to the approval of a Justice of the Supreme Court of the State of New York.

IN WITNESS WHEREOF this certificate has been signed and the statements made herein affirmed as true under the penalties of perjury this 11 day of March, 2011.



Tara DePorte, Incorporator  
312 South 3rd Street, #6  
Brooklyn, NY

# Bylaws

--Adopted by the Board of Directors, August 21st, 2014

## BYLAWS OF HUMAN IMPACTS INSTITUTE, INC. (the "Corporation")

### ARTICLE I MEMBERS

The Corporation shall have no members.

### ARTICLE II

#### OFFICES

The principal office of the Corporation shall be in Kings County, State of New York. The Corporation may also have offices at such other places as the Board of Directors (the "Board") may from time to time determine or the business of the Corporation may require.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board shall have general power to control and manage the affairs and property of the Corporation subject to applicable law and in accordance with the purposes and limitations set forth in the Certificate of Incorporation and herein.

(a) The Board may:

- (i) Appoint and discharge advisors and consultants who have skills necessary or helpful to the Corporation.
- (ii) Employ and discharge persons for the furtherance of the purposes of the Corporation.
- (iii) Exercise all other powers necessary to manage the affairs and further the purposes of the Corporation in conformity with the Certificate of Incorporation and these Bylaws.

(b) The Board shall:

- (i) Direct the President and Treasurer of the Corporation to present at the annual meeting of the Board a financial report, verified by the President and Treasurer or a majority of the Directors, or certified by an independent public accountant

or certified public accountant or a firm of such accountants selected by the Board. This report shall be filed with the records of the Corporation and a copy or abstract thereof entered in the minutes of the proceedings of the annual meeting of the Board.

- (ii) Select all Officers for the Corporation and approve the members of any standing committee appointed by the President.

Section 2. Number. The number of Directors constituting the entire Board shall be not less than three and not more than eleven. Subject to such minimum, the number of Directors may be increased or decreased from time to time, by resolution of the Board, but such action by the Board shall require a vote of a majority of the entire Board and no decrease shall shorten the term of any incumbent Director. The "entire Board" shall consist of the number of directors that were elected as of the most recently held election of directors.

Section 3. Election and Term of Office. The initial Directors shall be the persons named in the Certificate of Incorporation and shall serve until the first annual meeting of the Board. The Directors shall hold office for two year terms; provided, however, that any Director elected to fill an unexpired term (whether resulting from the death, resignation or removal or created by an increase in the number of Directors) shall hold office until the next annual meeting at which the election of Directors is in the regular order of business and until his successor is elected or appointed and qualified. Directors may be elected to any number of consecutive terms. To become a Director, a person shall be nominated by the Board or a committee thereof and elected by a plurality of the Board.

Section 4. Qualification for Directors. Each Director shall be at least 18 years of age.

Section 5. Classification of Directors. At the first annual meeting at which the election of Directors is in the regular order of business, the Directors shall be divided into two equal as possible classes with approximately half of the Directors in the first class and approximately half of the Directors in the second class. The term of office of the first class shall expire at the first annual meeting of the Corporation following the annual meeting at which Directors are first designated into classes, and the term of office of the second class shall expire at the following annual meeting. At each annual meeting after Directors are first designated into classes, Directors shall be elected for a term of two years to replace those whose terms shall expire.

Section 6. Removal. Any Director may be removed at any time for cause by a two-thirds vote of Directors then in office at a regular meeting or special meeting of the Board called for that purpose; provided that there is a quorum of not less than a majority present at such meeting; provided further that at least one week's notice of the proposed action shall have been given to the entire Board then in office. Missing three consecutive meetings of the Board unless a majority of the Directors has excused such Director from attendance due to extreme circumstance(s) or not supporting the mission of the Corporation may constitute cause.

Section 7. Resignation. Any Director may resign from the Board at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the Corporation or the President. The acceptance of a resignation by the Board shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or

duty of a Director.

Section 8. Vacancies and Newly Created Directorships. Any newly created Directorships and any vacancies on the Board arising at any time and from any cause may be filled at any meeting of the Board by a majority of the Directors then in office, regardless of their number. The Directors so elected shall serve until the next annual meeting at which the election of Directors is the regular order of business and his successor is elected or appointed or qualified. A vacancy in the Board shall be deemed to exist on the occurrence of any of the following:

- (a) the death, resignation or removal of any Director;
- (b) an increase in the authorized number of Directors by resolution of the Board; or
- (c) the failure of the Directors, at any annual or other meeting of Directors at which any one or more Directors are to be elected, to elect the full authorized number of Directors to be voted for at that meeting.

Section 9. Meetings. Meetings of the Board may be held at any place as the Board may from time to time fix. The annual meeting of the Board shall be held at a date, time and place fixed by the Board at such time the Board shall receive an annual report. Other regular meetings of the Board shall be held no fewer than two times during the year at a time and place fixed by the Board. Special meetings of the Board shall be held whenever called by the President or any other officer of the Corporation, in each case at such time and place as shall be fixed by the person or persons calling the meeting.

Section 10. Notice of Meetings. Regular meetings may be held without notice of the time and place if such meetings are fixed by the Board. Notice of the time and place of the annual meeting, each regular meeting not fixed by the Board and each special meeting of the Board which notice shall, to the extent possible, be accompanied by a written agenda setting forth all matters upon which action is proposed to be taken shall be (i) delivered to each Director by e-mail or facsimile at least seven days before the day on which the meeting is to be held; or (ii) mailed to each Director, postage prepaid, addressed to him or her at his or her residence or usual place of business (or at such other address as he or she may have designated in a written request filed with the Secretary at least seven days before the day on which the meeting is to be held). To discuss matters requiring prompt action, notice of special meetings may be sent to each Director by e-mail, facsimile, or telephone, or given personally, no less than twenty-four hours before the time at which such meeting is to be held. Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her. Waivers of notice sent by email must be able to be reasonably determined to be sent by the Director. No notice need be given of any adjourned meeting.

Section 11. Quorum. Unless a greater proportion is required by law, the quorum shall be a majority of the entire Board.

Section 12. Voting. Except as otherwise provided by law or these Bylaws, at any meeting of the Board at which a quorum is present, the affirmative vote of a majority of the Directors present at the time of the vote shall be the act of the Board. If at any meeting of the Board there shall be less than a quorum present, the Directors present may adjourn the meeting until a quorum is obtained. Any one or more

Directors of the Board or any committee thereof may participate in a meeting of the Board or committee by means of telephone, video conference or similar communications equipment provided that all persons participating in the meeting can hear each other at the same time and can participate in all matters before the board. Participation by such means shall constitute presence in person at a meeting. The following acts of the Board require the affirmative vote of at least two-thirds of the entire Board:

- (a) a purchase, sale, mortgage or lease of real property of the Corporation if the property constitutes all or substantially all of the assets of the Corporation;
- (b) a sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation;  
or
- (c) an alteration to these Bylaws or Certificate of Incorporation of the Corporation that would increase the quorum requirement or vote requirement to greater than a majority of the Board present at the time of the vote.

Section 13. Action by the Board. Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all Directors of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If the consent is written, it must be signed by the director. If the consent is electronic it must be able to be reasonably determined to have been sent by the director. The resolution and the written consents thereto by the Directors of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

Section 14. Compensation. No compensation of any kind shall be paid to any Director for the performance of his or her duties as Director. This shall in no way limit the reimbursement of reasonable expenses incurred in connection with board service. Subject to the Corporation's Conflicts of Interest Policy, provided that there is full disclosure of the terms of such compensation and the arrangement has been determined to be fair and reasonable and approved by the Board, a Director may receive payment for services provided to the Corporation in any capacity separate from his or her responsibilities as a Director.

#### ARTICLE IV

##### OFFICERS, EMPLOYEES AND AGENTS

Section 1. Number and Qualifications. The Officers of the Corporation shall be a President, a Secretary, a Treasurer and such other Officers, if any, including one or more Vice-Presidents, as the Board may from time to time appoint. One person may hold more than one office in the Corporation except that no one person may hold the offices of President and Secretary. No instrument required to be signed by more than one Officer may be signed by one person in more than one capacity.

Section 2. Election and Term of Office. The Officers of the Corporation shall be elected for a one year term at the annual meeting of the Board, and each shall continue in office until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal. Officers may be elected to an unlimited number of consecutive terms.

Section 3. Employees and Other Agents. The Board may from time to time appoint such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board may from time to time determine. To the fullest extent allowed by law, the Board may delegate to any employee or agent any powers possessed by the Board and may prescribe their respective title, terms of office, authorities and duties.

Section 4. Removal. Any Officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the Board.

Section 5. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board.

Section 6. President: Powers and Duties. The President shall preside at all meetings of the Board and the Executive Committee. The President shall have general supervision of the affairs of the Corporation and shall keep the Board fully informed about the activities of the Corporation. He or she has the power to sign and execute alone in the name of the Corporation all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature. The President shall perform all the duties usually incident to the office of the President and shall perform such other duties as from time to time may be assigned by the Board.

Section 7. Vice-President: Powers and Duties. A Vice President shall have such powers and duties as may be assigned to him or her by the Board. In the absence of the President, the Vice President(s), in the order designated by the Board, shall perform the duties of the President.

Section 8. Secretary: Powers and Duties. The Secretary shall keep the minutes of the annual meeting and all meetings of the Board in books provided for that purpose. He or she shall be responsible for the giving and serving of all notices of the Corporation, receiving the annual disclosure statements required by Article XII and shall perform all the duties customarily incidental to the office of the Secretary, subject to the control of the Board, and shall perform such other duties as shall from time to time be assigned by the Board.

Section 9. Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys, evidences of indebtedness and other valuable documents of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board may designate. At the annual meeting, he or she shall render a report of the Corporation's accounts showing in appropriate detail: (a) the assets and liabilities of the Corporation as of a twelve-month fiscal period terminating not more than six months prior to the meeting; (b) the principal changes in assets and liabilities during that fiscal period; (c) the revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes during said fiscal period; and (d) the expenses or disbursements of the Corporation, for both general and restricted purposes during said fiscal period. Such report shall be filed with the minutes of the annual meeting of the Board. The report to the Board may consist of a verified or certified copy of any report by the Corporation to the Internal Revenue Service or the Attorney General of the State of New York which includes the information specified above. The Treasurer shall, at all reasonable times, exhibit the Corporation's books and accounts to any Officer or Director of the Corporation, and whenever required by the Board, render a statement of

the Corporation's accounts and perform all duties incident to the position of Treasurer, subject to the control of the Board.

Section 10. Compensation. Any Officer who is not a Director but is an employee or agent of the Corporation is authorized to receive a reasonable salary or other reasonable compensation for services rendered to the Corporation as an employee or agent when authorized by a majority of the entire Board, and only when so authorized.

Section 11. Sureties and Bonds. In case the Board shall so require, any Officer or agent of the Corporation shall execute for the Corporation a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his or her duties to the Corporation and including responsibility for negligence and for the accounting for all property or funds of the Corporation that may come into his or her hands.

## ARTICLE V

### COMMITTEES

A committee of the Board is one that shall have authority to bind the corporation and shall be comprised solely of Directors. There may be committees of the Board, as follows:

(a) Executive Committee. An Executive Committee which shall consist of at least three Directors, one of whom shall be the President of the Board, who shall also serve as chair of the Executive Committee. The other members of the Executive Committee shall be appointed by the President, subject to the approval of the Board. The Executive Committee shall have all the authority of the Board except as to the following matters:

- (i) the filling of vacancies on the Board or on any committee;
- (ii) the amendment or repeal of the Bylaws or the adoption of new Bylaws;
- (iii) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable; and
- (iv) the fixing of compensation of the Directors for serving on the Board or any committee.

(b) Finance Committee. A Finance Committee which shall consist of at least three Directors, one of whom shall be the Treasurer. The other members of the Finance shall be appointed by the President of the Board, subject to the approval of the Board. The Finance Committee shall advise the Treasurer and the Board in regard to the investments and general fiscal policy of the Corporation.

(c) Audit Committee. An Audit Committee comprised at least three Directors each of whom is an Independent Director as defined in Article XII section 8(e). The members of the Audit Committee shall be appointed by the President of the Board, subject to the approval of the Board.

(d) Other Committees of the Board. The Board, by resolution adopted by a majority of the entire Board, may establish and appoint other committees of the Board consisting of at least three Directors with such powers and duties as the Board may prescribe. The members of such committees shall be appointed by the President of the Board, subject to the approval of the Board.

(e) Friends. Individuals who support the purposes of the Corporation, but who are not on the Board, may, by a majority vote of the Directors present at the meeting, be appointed to advisory committees of the corporation.

ARTICLE VI  
COMMITTEES OF THE CORPORATION

Section 1. Powers. The Board by resolution may appoint from time to time any number of persons as advisors of the Corporation to act either singly or as a committee or committees of the Corporation. Each advisor shall hold office during the pleasure of the Board and shall have only the authority or obligations as the Board may from time to time determine.

Section 2. No Compensation. No advisor to the Corporation shall receive, directly or indirectly, any salary or compensation for any service rendered to the Corporation as a member of a committee of the Corporation, except that the Board may authorize reimbursement of expenditures reasonably incurred on behalf of activities for the benefit of the Corporation.

ARTICLE VII

CONTRACTS, CHECKS, BANK ACCOUNTS AND INVESTMENTS

Section 1. Checks, Notes and Contracts. The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments.

Section 2. Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board may deem desirable.

ARTICLE VIII

BOOKS

There shall be kept at the office of the Corporation correct books of account of the activities and transactions of the Corporation including the minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these bylaws, and all minutes of meetings of the Board.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall be January 1st to December 31st.

ARTICLE X

## INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The Corporation may, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she or his or her testator was a Director, officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney fees. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled in the transaction or matter in which indemnification is sought.

Section 2. Insurance. The Corporation shall have the power to purchase and maintain all insurance policies deemed to be in the best interest of the Corporation including insurance to indemnify the Corporation for any obligation which it incurs as a result of its indemnification of Directors, Officers and employees pursuant to Section 1 above, or to indemnify such persons in instances in which they may be indemnified pursuant to Section 1 above.

## ARTICLE XI

### AMENDMENTS

These Bylaws may be amended or repealed by a two-thirds vote of the Directors present at any meeting of the Board. Any amendment or repeal of these Bylaws is authorized only at a duly called and held meeting of the Board for which written notice of such meeting, setting forth the proposed alteration, is given in accordance with the notice provisions for special meetings set forth in Article III, Section 10 of these Bylaws or, if notice of such meeting is given (and the written proposed alteration of the Bylaws given) at a meeting of the Board prior to the meeting to amend or repeal the Bylaws.

## ARTICLE XIII

### NON-DISCRIMINATION

In all of its dealings, neither the Corporation nor its duly authorized agents shall discriminate against any individual or group for reasons of race, color, creed, sex, age, ethnicity, national origin, marital status, sexual preference, mental or physical disability or any category protected by state or federal law.

## ARTICLE XIV

### REFERENCE TO CERTIFICATE OF INCORPORATION

References in these Bylaws to the Certificate of Incorporation shall include all amendments thereto or changes thereof unless specifically excepted by these Bylaws. In the event of a conflict between the Certificate of Incorporation and these Bylaws, the Certificate of Incorporation shall govern.

# Privacy Policy

This Privacy Policy governs the manner in which Human Impacts Institute collects, uses, maintains and discloses information collected from users (each, a "User") of the <http://www.humanimpactsinstitute.org> website ("Site"). This privacy policy applies to the Site and all products and services offered by Human Impacts Institute.

## Personal identification information

We may collect personal identification information from Users in a variety of ways, including, but not limited to, when Users visit our site, register on the site, place an order, subscribe to the newsletter, respond to a survey, fill out a form, and in connection with other activities, services, features or resources we make available on our Site. Users may be asked for, as appropriate, name, email address, mailing address, phone number, credit card information. Users may, however, visit our Site anonymously. We will collect personal identification information from Users only if they voluntarily submit such information to us. Users can always refuse to supply personally identification information, except that it may prevent them from engaging in certain Site related activities.

## Non-personal identification information

We may collect non-personal identification information about Users whenever they interact with our Site. Non-personal identification information may include the browser name, the type of computer and technical information about Users means of connection to our Site, such as the operating system and the Internet service providers utilized and other similar information.

## Web browser cookies

Our Site may use "cookies" to enhance User experience. User's web browser places cookies on their hard drive for record-keeping purposes and sometimes to track information about them. User may choose to set their web browser to refuse cookies, or to alert you when cookies are being sent. If they do so, note that some parts of the Site may not function properly.

## How we use collected information

Human Impacts Institute may collect and use Users personal information for the following purposes:

- *To improve customer service*

- Information you provide helps us respond to your customer service requests and support needs more efficiently.

- *To personalize user experience*

- We may use information in the aggregate to understand how our Users as a group use the services and resources provided on our Site.

- *To improve our Site*

- We may use feedback you provide to improve our products and services.

- *To process payments*

- We may use the information Users provide about themselves when placing an order only to provide service to that order. We do not share this information with outside parties except to the extent necessary to provide the service.

- *To run a promotion, contest, survey or other Site feature*

- To send Users information they agreed to receive about topics we think will be of interest to them.

- *To send periodic emails*

- We may use the email address to send User information and updates pertaining to their order. It may also be used to respond to their inquiries, questions, and/or other requests. If User decides to opt-in to our mailing list, they will receive emails that may include company news, updates, related product or service information, etc. If at any time the User would like to unsubscribe from receiving future emails, we include detailed unsubscribe instructions at the bottom of each email.

## **How we protect your information**

We adopt appropriate data collection, storage and processing practices and security measures to protect against unauthorized access, alteration, disclosure or destruction of your personal information, username, password, transaction information and data stored on our Site.

## **Sharing your personal information**

We do not sell, trade, or rent Users personal identification information to others. We may share generic aggregated demographic information not linked to any personal identification information regarding visitors and users with our business partners, trusted affiliates and advertisers for the purposes outlined above. We may use third party service providers to help us operate our business and the Site or administer activities on our behalf, such as sending out newsletters or surveys. We may share your information with these third parties for those limited purposes provided that you have given us your permission.

## **Third party websites**

Users may find advertising or other content on our Site that link to the sites and services of our partners, suppliers, advertisers, sponsors, licensors and other third parties. We do not control the content or links that appear on these sites and are not responsible for the practices employed by websites linked to or from our Site. In addition, these sites or services, including their content and links, may be constantly changing. These sites and services may have their own privacy policies and customer service policies. Browsing and interaction on any other website, including websites which have a link to our Site, is subject to that website's own terms and policies.

## **Changes to this privacy policy**

Human Impacts Institute has the discretion to update this privacy policy at any time. When we do, we will revise the updated date at the bottom of this page. We encourage Users to frequently check this page for any changes to stay informed about how we are helping to protect the personal information we collect. You acknowledge and agree that it is your responsibility to review this privacy policy periodically and become aware of modifications.

## **Your acceptance of these terms**

By using this Site, you signify your acceptance of this policy. If you do not agree to this policy, please do not use our Site. Your continued use of the Site following the posting of changes to this policy will be deemed your acceptance of those changes.

## **Contacting us**

If you have any questions about this Privacy Policy, the practices of this site, or your dealings with this site, please contact us at:

[Human Impacts Institute](#)

<http://www.humanimpactsinstitute.org>

Human Impacts Institute 312 South Third Street, #7 Brooklyn, NY 11211, USA

+1 917 727 9761

Info@HumanImpactsInstitute.org

*This document was last updated on June 28, 2013*

# Conflict of Interest Policy--**Adopted by the Board of Directors,** **August 21st, 2014**

## CONFLICT OF INTEREST POLICY OF HUMAN IMPACTS INSTITUTE, INC.

### ARTICLE I

#### PURPOSE

The purpose of this Conflict of Interest Policy (the "**Policy**") is to protect The Human Impact Institute's (the "**Corporation**") interest when it is contemplating entering into a transaction that might benefit the private interest of an officer or director of the Corporation 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.

### ARTICLE II

#### DEFINITIONS

1. Interested Person. An "**Interested Person**" is any director, officer or member of a committee with board powers, who has a direct or indirect Financial Interest, as defined below.
2. Financial Interest. A person has a "**Financial Interest**" if that person has, directly or indirectly, through business, investment or family:
  - a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
  - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement.

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 Article III, Section 2 of this Policy, a person who has a Financial Interest will have a conflict of interest only if the board of

directors or committee decides that a conflict of interest exists.

### ARTICLE III

#### PROCEDURES

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 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 related thereto, and after any discussion with the Interested Person, he or she shall leave the 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 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 chairperson of the board of directors 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 board of directors or committee shall determine whether the Corporation 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 board of directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the board of directors or committee shall make its decision about whether to enter into the transaction or arrangement.
4. Violations of the Policy.
  - a. If the board of directors or committee has reasonable cause to believe an individual has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the board of directors or committee determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### ARTICLE IV

## RECORDS OF PROCEEDINGS

1. The minutes of the board of directors 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 board of directors' 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 discussions, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## ARTICLE V

### COMPENSATION

1. A voting member of the board of directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the board of directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## ARTICLE VI

### ANNUAL STATEMENTS

1. Each director, principal officer and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person:
  - a. Has received a copy of the Policy;
  - b. Has read and understands the Policy;
  - c. Has agreed to comply with the Policy; and
  - d. Understands that the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## ARTICLE VII

## PERIODIC REVIEWS

1. To ensure that the Corporation 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 arms' length bargaining; and
  - b. Whether partnerships, joint ventures and arrangements with management organizations conform to the Corporations' 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.

## ARTICLE VIII

### USE OF OUTSIDE EXPERTS

1. When conducting the periodic reviews as provided in Article VII, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the board of directors of its responsibility for ensuring periodic reviews are conducted.

## MWBE Policy

It is the policy of the Human Impacts Institute to take affirmative action to ensure that minority business enterprises (MBEs), i.e., independent business concerns, which are at least 51 percent owned and controlled by minority group members (citizens of the United States or permanent resident aliens who are Black, Hispanic, Asian, or American Indian), and women-owned business enterprises (WBEs), i.e., independent business concerns which are at least 51 percent owned and controlled by a women who are citizens of the United States or permanent resident aliens, are given the opportunity to demonstrate their ability to provide the Human Impacts Institute with goods and services at competitive prices.

### **Definitions**

**Minority-owned business enterprise** – a business enterprise, including a sole proprietorship, partnership or corporation that is:(a) at least fifty-one percent owned by one or more minority group members;(b) an enterprise in which such minority ownership is real, substantial and continuing;(c) an enterprise in which such minority ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and (d) an enterprise authorized to do business in this state and independently owned and operated.

**Minority group member** – a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:(a) Black persons having origins in any of the Black African racial groups;(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race;(c) Native American or

Alaskan native persons having origins in any of the original peoples of North America;(d) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.

**Women-owned business enterprise** - a business enterprise, including a sole proprietorship, partnership or corporation that is:(a) at least fifty-one percent owned by one or more United States citizens or permanent resident aliens who are women;(b) an enterprise in which the ownership interest of such women is real, substantial and continuing;(c) an enterprise in which such women ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and(d) an enterprise authorized to do business in this state and independently owned and operated.

## Fiscal Policies and Procedure

### Accounting Procedures

This section covers basic accounting procedures for Human Impacts Institute. The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

#### **Basis of Accounting**

The organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

- Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are to be closed no later than 15 days after the close of the month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year, are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 90 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it was earned or pledged.

#### **Journal Entries**

For all revenue and expenses, a Journal Entry will be posted to the digital accounting records for the Institute within 15 days of the close of the month.

- All invoices, checks, receipts, statements, and other related materials will be scanned and saved digitally in the digital accounting records within our online accounting system;
- The bookkeeper is responsible for writing and posting Journal Entries, as well as all related

materials for digital retention.

- In-Kind transactions will be entered manually into the digital accounting records on a monthly basis. This includes donated time, goods, and services to Human Impacts Institute.
- All Journal Entries must include a “reference” as related to the Grant that funds the expense. If a transaction is made that is not covered by grant funding, the reference section must state what “program” that expense falls into, i.e. Creative Climate Awards or Tree Care Tuesday
- If an unknown transaction is discovered, the bookkeeper may enter it into the “Suspense” account. The Executive Director must review a report of the Suspense account within 15 days of the close of the month.
- The Executive Director will review the Journal Entries on a quarterly basis.
- The Treasurer of the Board will review the Journal Entries twice a year.

### **Bank Reconciliations**

All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 15 days of the close of the month.

- All bank statements and cancelled checks will be opened, reviewed, reconciled, and initialed by the bookkeeper upon receipt.
- The Executive Director will review and approve reconciliation reports by signing and dating the report digitally.

### **Monthly Close**

Monthly books are closed by the 15th of the following month by the bookkeeper.

- This involves reconciling all bank statements, income and expenditures for the month, as well as ensuring the digital filing of all invoices, checks (incoming and outgoing), receipts, contracts and other related materials;
- The Executive Director ensures the completion of these steps.

### **Recordkeeping**

All accounting records are retained in the online financial accounting system, as well as e-files in the Human Impacts Institute Google Drive and in backup drives of the Institute. All receipts, checks, invoices, and other income and expenditure documentation will be scanned and retained electronically.

- Filing will be done monthly by the bookkeeper
- All electronic documents will be retained indefinitely.
- All paper documents will be retained for five years.

### **Internal Controls**

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

## **Lines of Authority**

The Board has authority to approve fiscal policies and is required to review any amendments proposed. Approval of the board is documented in the meeting minutes of the appropriate Board meeting or by written consent of the Board. The Executive Director has the authority to approve expenses in accordance with the approved budget.

## **Conflict of Interest**

All employees and members of the Board of Directors are expected to adhere to the organization's Conflict of Interest Policy.

## **Segregation of Duties**

The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

- The bookkeeper is to review all invoices and expenses, deposit funds, and write out checks. The Executive Director and/or Financial Committee of the Board will review all activity on a regular basis and be the primary signers of the financial accounts of Human Impacts Institute.
- If an outgoing check exceeds \$7,500, dual signatures are required from the Executive Director and President.

## **Physical Security**

The organization maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property. Blank checks are kept with the signers (Executive Director and President) while cash and incoming checks are handled by the bookkeeper, to be deposited no later than 15 days upon receipt. Passwords for all electronic accounts and software are to be known by the bookkeeper, Executive Director, and Treasurer. They should be updated at the start of each fiscal year and stored in a password management system such as Keychain Access.

## **Financial Planning & Reporting**

The organization's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Organizations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization are classified as unrestricted and temporarily restricted.

## **Budgeting Process**

The organization's annual budget is prepared and approved annually for all departments. The budget is prepared by the Executive Director in conjunction with the bookkeeper and the Financial Committee

of the Board. The budget is to be approved by the Board of Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors.

- The Executive Director will work together with the bookkeeper, Treasurer, and all program managers to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- The Executive Director, bookkeeper, and the Treasurer will present a draft budget to the Financial Committee at least 60 days prior to the end of the fiscal year and at least 30 days prior to its submission to the full Board of Directors.
- The Financial shall review and approve a recommended fiscal year budget and submit it for approval to the Board of Directors. The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included.
- The Board of Directors will review and approve the budget at its last meeting prior to the start of the fiscal year.

### **Internal Financial Reports**

The organization prepares regular financial reports on a quarterly basis. All reports are finalized no later than 30 days after the close of the prior month.

- The bookkeeper is responsible for producing the following year-to-date reports within 30 days of the end of each month: Statement of Financial Position, Statement of Activities, Budget v. Actual and updated Cash Flow Projection.
- The Executive Director and the Treasurer review financial reports each quarter, and the Financial Committee presents reports to the full Board of Directors on a yearly basis.
- On an annual basis, the Treasurer prepares a narrative report that summarizes the organization's current financial position and includes explanations for budget variance.

### **Audit**

An audit will be conducted annually and will take place within 90 days of the closing of the books for the fiscal year. The audit will be spearheaded by the Financial Committee of the Board, which must be composed of no fewer than 3 members. The Treasurer will oversee the hiring of an external CPA firm, and the Executive Director and the bookkeeper will serve as the liaison between the staff and the audit firm. The audit report will be made available to the public via the organization's website and/or through Guidestar.

### **Tax Compliance**

#### **Exempt Organization Returns**

In conjunction with the Executive Director and the financial board committee, the bookkeeper will complete annual tax returns to be filed with the Internal Revenue Service and any applicable state and local tax authorities. It must be reviewed by the board before being filed. The Executive Director must sign all tax forms. The Federal tax forms must be completed by May 15th each year. The annual tax returns will be made publicly available on the website and/or on Guidestar.

Accounts Payable and Accounts Receivable invoices will be prepared upon transaction or monthly. The bookkeeper will prepare the transactions and the Executive Director must approve. All invoices will be kept electronically.

### **Quarterly/Annual Payroll Reports**

The organization uses an online accounting software to prepare payroll internally with the expectation to outsource payroll with organizational growth. The bookkeeper is responsible for preparing employee W2s, 1099s, and 1096s by January 31st each year and the Executive Director will oversee this responsibility to ensure accuracy and timeliness. The bookkeeper also files quarterly payroll tax reports (941 and DE6) by the filing deadlines and the Executive Director oversees this responsibility.

### **Income Taxes**

Human Impacts Institute is organized as a nonprofit corporation under the laws of the State of New York and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and corresponding New York provisions. Donors of cash and/or property are entitled to the maximum charitable contribution deduction allowed by law. The Organization follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes (ASC 740), related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

### **Revenue & Accounts Receivable**

Accounts receivable consist mainly of grant funds receivable from foundation grants, government grants, and contracted services. Additionally, the Organization has a small amount of business and individual contributions.

### **Invoice Preparation**

All grants and projects are invoiced each month to capture all billable time and expenses and ensure a regular healthy cash flow for the organization. All final invoices for the prior month are completed by the 15th of the following month (ex: June 15th for May).

- The bookkeeper gathers relevant expense documentation, prepares all invoices, and submits to the Executive Director for approval by the 10th of each month.
- The Executive Director determines appropriate collection efforts for long outstanding invoices. The Executive Director is also notified of any receivables that are more than 60 days outstanding and/or more than \$500.

### **Revenue Recognition**

All contributions will be recorded in accordance with GAAP, with specific attention to standards FASB 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116, and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's Chart of Accounts.

## **Cash Receipts**

All cash and check receipts are to be deposited no more than two weeks after they were received. A picture of the check is to be taken upon attainment and stored in the files of our online Accounting System. Checks must say "For Deposit Only" with the organization's account number before deposit.

## **Deposits**

Deposits are to be made no later than two weeks after receipt of funds. The bookkeeper, Executive Director, or President may deposit funds at anytime. At time of deposit, the deposit slip must be printed or electronically sent to the bookkeeper.

## **Gifts-in-Kind**

Gifts-in-kind (GIK) received through private donations are recorded in accordance with GAAP and industry standards. GIK are valued and recorded as revenue at their estimated "fair market value" (FMV), based upon the Organization's estimate of the wholesale values that would be received for selling the goods in its principal exit market considering the goods' condition and utility for use at the time they are contributed by the donor.

FMV for services, goods, and space will be determined by an online search and comparison of one similar service, good, or space for donations valued under \$50,000 and for donations above \$50,000, with at least two similar services, goods, or spaces for within the service region and date of donation.

- Purchase receipts

## **Principles for Corporate Support or Donations**

The Human Impacts Institute believes that it can best fulfill its mission through a broad base of support from various sources. However, to maintain its independence and objectivity, it seeks to identify any areas where there may be real or apparent conflicts of interest or where the mission, programs, projects and independence of the Human Impacts Institute could be compromised. As part of expanding its base of support, the Human Impacts Institute is willing to consider partnerships with and gifts from the corporate sector. The Human Impacts Institute recognizes that corporations, as profit-centered organizations, have obligations to their shareholders, boards and employees to be successful. The Human Impacts Institute also recognizes that companies support the nonprofit sector not only out of a desire to be helpful, but also with a hope of a return or benefit to the companies. Given these realities and both legal and ethical considerations, the The Human Impacts Institute is willing to negotiate partnerships and accept support from the corporate sector in ways that will benefit and recognize the supporting companies while enabling the The Human Impacts Institute to better achieve its mission without compromising its principles.

## **General Guidelines**

The The Human Impacts Institute, as an independent nonprofit organization, will accept no cash or real property gift, pledge of support or non-cash gift or services or enter into any partnership with any company or other organization that produces products that are or may be harmful to our community. Nor will the Human Impacts Institute accept any of the above or support from any company or organization that, in the

judgment of the Human Impacts Institute, exploits students or teachers in its product lines, advertising, marketing, workforce or in any other way.

## **Principles**

The Human Impacts Institute will at all times maintain an independent position on environmental and educational issues and concerns. The Human Impacts Institute will solicit and accept support only for activities that are consistent with its mission.

The Human Impacts Institute will accept funds for research, informational and educational activities only when the content is to be determined by Human Impacts Institute or an independent group designated by Human Impacts Institute. The Human Impacts Institute will maintain complete control, consistent with any donor restrictions acceptable to the Human Impacts Institute, of all funds provided by corporations, organizations and individuals. The Human Impacts Institute will not accept any support that implies or requires endorsements of products.

Acknowledgements for corporate support will be limited to the companies' names, logos or slogans that are an established part of the supporters' identities, trade names, addresses and telephone numbers. Recognition of major corporate support will be developed in cooperation with the corporate donors and will be consistent with the level of support and the Human Impacts Institute's mission and purposes. The Human Impacts Institute will seek to develop recognition opportunities that are appropriate and meaningful for both the supporting companies and the Human Impacts Institute.

## **Organization**

The Human Impacts Institute's intangible intellectual assets, including its name, research and other work, will be protected at all times. Donors will not be permitted to use the Human Impacts Institute's name or other items for commercial purposes or in connection with the promotion of any product. The Human Impacts Institute board and staff reserve the right to refuse any donation of cash or other real property, services, non-cash gifts or any other forms of support if such support is not in keeping with the above principles or for other reasons that the Human Impacts Institute deems appropriate.

## **Expense & Accounts Payable**

### **Payroll**

Payroll will be performed by the bookkeeper using the online accounting system. The Organization will outsource payroll with growth. The pay periods will be bi-monthly for all employees. Pay checks will be cut on the 15th and 30th of each month (February 28th).

### **Time Sheet Preparation & Approval**

All employees, exempt and nonexempt, are required to record time worked, holidays, leave taken for payroll, benefits tracking, and cost allocation purposes.

- Employees complete digital timesheets and submit them to their supervisors on the due date, based on the schedule produced at the beginning of the year.
- Supervisors review, correct if necessary, and approve timesheets to the bookkeeper within

- three (3) working days from the timesheet due date.
- The Bookkeeper is responsible for entering timesheet information into the payroll and accounting systems as needed. All paid time off balances are maintained within the payroll system, based on the information provided on approved timesheets.

Board approval is required for changes in payroll for management. Management approval is required for changes in payroll for all non-management.

Employees will be added and removed from the payroll system by the Executive Director along with a W4 Withholding form and an I-9 form.

### **Payroll Preparation & Approval**

Timesheets must be submitted one day before payday (15th and last day of each month). The Executive Director will review timesheets and approve them before the checks are written. If the bookkeeper is unable to prepare payroll, it is the responsibility of the Executive Director to do so.

### **Pay Upon Termination**

Upon termination, payroll will still be processed on either the 15th or the 30th of each month. The employee will receive payment for all hours worked. The bookkeeper will calculate the final paycheck and the Executive Director will review and distribute the final check to the employee.

### **Purchases & Procurement**

Any expenditure in excess of \$5000 for the purchase of a single item should have bids from three (3) suppliers if possible. These bids will be reviewed by the Executive Director and the bid award must be specifically approved in advance by the Executive Director and President. Please see "[Procurement Policy](#)" for more details.

All purchases over \$25 must be approved by the Executive Director or President.

### **Independent Contractors**

Independent Contractors will be used for professional services such as accounting, marketing, film and audio editing, and other services outside of the duties of current employees. The Executive Director will establish contracts and verify the classification using our Contractor and Employees checklists.

### **Invoice Approval & Processing**

All invoices must be approved by the manager of the department for which the expense was incurred. Approved invoices will be paid within 30 days of receipt.

- Invoices and bills will be opened and reviewed by the bookkeeper. The Executive Director or Treasurer will be notified immediately of any unexpected or unauthorized expenses.
- The Bookkeeper will enter all bills into the online accounting system upon receipt.
- Invoices are then routed to the Bookkeeper for authorization prior to payment being issued. If the expense is greater than \$300 and was not authorized through the purchase order system, either the Executive Director or Treasurer must also approve the expenditure.

- Copies of all invoices paid will be filed in the online accounting system

### **Cash Disbursements**

Itemized invoices are required from all vendors. The Bookkeeper will prepare checks and the Executive Director or President will sign before being mailed by the Bookkeeper. All expenditures will be recorded in the online accounting system.

### **Employee Expense Reimbursements**

Employees will be reimbursed for all expenses relating directly to the programs of Human Impacts Institute. Preauthorization is required for all expenses except for in emergency situations. All reimbursement expenses must be recorded using the Xero mobile app. Receipts must be photographed and uploaded into our Accounting software. Expense approvals will be made by the bookkeeper. If the bookkeeper is creating a reimbursement expense claim, the Executive Director must approve. They will be distributed directly into the bank account of employees or a check will be written out to contractors and interns.

### **Travel Expenses**

Travel expenses such as room and board, transportation, and meals may be eligible for reimbursement upon agreement with the Executive Director.

### **Credit Cards**

Company credit cards will be issued to the Executive Director and President and, upon approval, to selected staff members for purchasing goods and services in accordance with the Organization's mission and programs. All expenditures on credit cards will follow the guidelines of the Organization's Purchases and Procurement Policies. Receipts from purchases must be provided to the bookkeeper within 30 days of purchase or upon request. The bookkeeper will reconcile all credit card statements and enter credit card charges and receipts into the financial accounting system.

If an unrecognized charge appears, the bookkeeper will notify the Executive Director or President immediately, who will be responsible for taking appropriate steps for reporting charges to the credit cards companies.

## **Asset Management**

### **Net Assets**

The Organization's net assets and changes therein are classified and reported as follows:

**Permanently Restricted Net Assets** – Permanently restricted net assets represent the historical dollar amounts of gifts, including pledges and trusts, subject to donor-imposed stipulations to be invested in perpetuity, and only the income may be available for program operations.

**Temporarily Restricted Net Assets** – Temporarily restricted net assets comprise gifts, including pledges and trusts, as well as income and gains that can be expended, but for which restrictions have not yet been met. Such restrictions include purpose restrictions wherein donors have specified the

purpose for which the net assets are to be spent or time restrictions are imposed or implied by the nature of the gift (pledges to be paid in the future, life-income funds, and unappropriated earnings of permanent endowments). When a restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released due to satisfaction of program restrictions.

Unrestricted Net Assets – Unrestricted net assets are all the remaining net assets of the Organization. The only limits on unrestricted net assets are broad limits resulting from the nature of the Organization and purposes specified in its articles of incorporation or bylaws and any limits resulting from contractual agreements.

## **Capital Purchases and Capitalization Threshold Policy**

### **Definition and Threshold:**

Capital purchases comprise furniture, fixtures, equipment, software, leasehold improvements, etc. that meet two criteria:

1. a useful life of more than one year, and
2. cost more than a certain amount.

The Human Impacts Institute’s Board of Directors has established \$ 1,000 as the threshold amount for capitalization.

### **Competitive bid:**

For purchases in excess of \$1,000, competitive bids (minimum two) should be sought when appropriate.

### **Approval:**

The Human Impacts Institute’s Capital Budget, when applicable, is updated each year and should include proposed capital purchases that are anticipated to take place during the year. Those purchases itemized within the approved capital budget are considered approved.

The Human Impact Institutes’s Capital Budget includes a discretionary fund of \$1,000 that can be accessed by the executive director without prior approval, provided resources are available, and with the stipulation that the board be informed of any use of the fund at the next regular meeting.

Capital purchases not within the approved capital budget, or beyond the scope of the discretionary fund, must be specifically approved by the finance committee of the Board of Directors. To seek such approval the Executive Director must provide the price and rationale for the purchase and assurance of availability of financial resources to support the purchase.

### **Recordkeeping:**

The Human Impacts Institute shall maintain a list of fixed assets showing the date of the acquisition, its cost, and a schedule for depreciation of the asset. The Human Impacts Institute shall keep on file

documentation for each purchase.

Annual depreciation expense will be included in Human Impact Institute's annual operating budget.

For each purchase, the Executive Director shall evaluate whether the acquisition will have an impact on insurance coverage, determine if present coverage valuations are adequate, and obtain additional coverage if necessary.

### **Employee Retirement Accounts**

The Organization does not provide retirement accounts to its employees at this time.

### **Operating Reserve**

The target minimum operating reserve fund for the organization is three (3) months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

- The amount of the operating reserve will be calculated each year after approval of the annual budget, reported to the Finance Committee and Board of Directors, and included in regular financial reports.
- The operating reserve will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.
- To use the operating reserves, the Executive Director will submit a request to the Finance Committee of the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve (12) months to restore the operating reserve fund to the target minimum amount.

## **Procurement Policy**

As a recipient of donor funds, one of our goals is to ensure that money received is used to deliver needed services to beneficiaries as efficiently and cost-effectively as possible.

### **1. STANDARDS OF CONDUCT FOR PROCUREMENT PERSONNEL**

1. No employee will be involved in selecting or overseeing procurement if there is real or perceived conflict of interest, i.e. employee or any family member has a financial interest in the business being considered to deliver goods or services.
2. No employee will accept gratuities, gifts, favors or anything of monetary value from vendors, sub-agreement contractors or parties. Exceptions can be made if gift is unsolicited and valued less than \$25.00.
3. Employees who are proven to violate this code of conduct will be removed from the

procurement process.

## **2. PROCUREMENT PROCESS**

When evaluating procurement of items, both lease and purchase alternatives will be evaluated for best use of funds.

Note: Sub-recipients are held to the same funding agency procurement requirements as prime recipients.

### **2.1 Procurement process for items or services more than the micro-purchase threshold (\$7,500)**

A minimum of three bids must be secured by the program/financial staff. Solicitations will:

- provide detailed information on exactly what is being sought
- contain clear instructions for vendors on what to include in their proposals or quotations, how to submit them and by when; and
- list how each proposal will be evaluated
- 3 person Procurement Committee drawn from the relevant staff and Board Members will review the obtained bids, confirming no vendor is on any Excluded Party List. They will then select the best option based on allowability, cost/value, timeliness, and prior execution.
- Procurement committee will be in receipt of the Human Impacts Institute MWBE policy and will make due considerations in light of the MWBE policy

A voucher/contract/ TOR will be prepared by this team and include the grant to which the cost is assigned.

When reviewing bids, the Procurement Committee will make positive efforts to utilize small businesses, minority-owned firms, and women-owned businesses whenever possible, as stated in MWBE policy contact information for the purchaser and the vendor; period of performance; description of goods or services provided; warranties in effect; quantities to be purchased; prices (clearly state if tax is included or excluded); payment terms, including if it is a fixed-price agreement or time and materials agreement; delivery terms and address as applicable; suspension/termination clauses in the event that the vendor does not deliver the goods.

Upon receipt of the goods/services or consultancy and after inspection of final product, a final payment will be transmitted and a completion document will be emitted and filed with the appropriate grant documentation.

**2.2 Procurement process for items or services for equal to or less than the micro-purchase threshold (\$7,500)** The solicitation of 3 bids is not necessary. However the remainder of the pre-procurement and procurement procedures will be in effect.

For anything equal to or less than \$1,000.00 (one thousand USD) the Administrative/Finance team may authorize procurements by directly consulting the Executive Director (and not convening the Procurement Committee members).

NOTE: For procurement using U.S. Federal funding, any item/service/consultancy costing more than \$5,000 must have a budget category and must be approved by the Executive Director or President overseeing the grant. Procurement personnel must ensure that the item is:

- Included in standard budget categories
- Allowable
- Not a restricted or prohibited commodity

When U.S. Federal funds are being used to make expenditures, U.S. Federal funding published guidelines that are not directly referenced in this policy will be followed when applicable.

# Document Retention Policy

## RECORD RETENTION AND DESTRUCTION POLICY STATEMENT OF POLICY

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. 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 the operation of the Human Impacts Institute by promoting efficiency and freeing up valuable storage space.

## RETENTION SCHEDULE AND ADMINISTRATION

The Human Impacts Institute’s Record Retention Schedule is set forth in Appendix A. The Executive Director shall administer this Policy and serve as “administrator”. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for the Association; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this policy.

## ELECTRONIC DOCUMENTS AND RECORDS

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types in Appendix A will be maintained for the appropriate amount of time. If an employee has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder.

## SUSPENSION OF RECORD DISPOSAL IN THE EVENT OF LITIGATION OR CLAIMS

No director, officer, employee, volunteer or agent of the Association shall destroy, dispose of, conceal, or alter any record or document while knowing that it is or may be relevant to an anticipated or ongoing investigation or legal proceeding conducted by or before a federal, state or local government agency, including tax and regulatory agencies, law enforcement agencies, and civil and criminal courts, or an anticipated or ongoing internal investigation, audit or review conducted by the Association. During the occurrence of an anticipated or ongoing investigation or legal proceeding as set forth above,

the Administrator shall suspend any further disposal of documents until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as necessary to promptly inform all staff of any suspension in the further disposal of documents.

## APPENDIX A – RECORD RETENTION SCHEDULE

### **Keep these records in electronic version permanently and paper copies for five years**

- Articles of Incorporation
- Audit reports, from independent audits
- Corporate resolutions
- Checks
- Determination Letter from the IRS, and correspondence relating to it
- Financial statements (year-end)
- Insurance policies
- Minutes of board meetings and annual meetings of members
- Real estate deeds, mortgages, bills of sale
- Tax returns
- Invoices

### **Defining Administrative Costs and Duties<sup>12</sup>**

Nonprofits that file IRS Form 990 must allocate their annual expenses into three categories:

- “Program expenses”— are expenses directly related to carrying out the Organization’s mission, and that result in goods or services being provided.
- “Administrative expenses” – are defined as costs related to administering the day-to-day activities of the Organization. These expenses do not directly relate to the purpose for which the organization exists and includes activities such as bookkeeping, management, and governance. expenses for your nonprofit’s overall operations and management—for example, costs of board of directors’ meetings, general legal services, accounting, insurance, office management, auditing, human resources, and other centralized services, and “Administrative costs”, on the other hand, are how you exist as a nonprofit. Admin costs are incurred as you direct and control your organization itself. Paying certain employees’ salaries, purchasing office supplies, and paying the electric bill so the lights keep working are all examples of the admin costs that you incur in the process of remaining a going concern.
- “Fundraising expenses”—include costs for publicizing and conducting fundraising campaigns, maintaining donor mailing lists, conducting special fundraising events, and any other activities that

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<sup>1</sup> <http://blueavocado.org/content/board-members-guide-nonprofit-overhead>

<sup>2</sup> <http://overheadmyth.com/>

<http://www.nolo.com/legal-encyclopedia/reporting-nonprofit-operating-expenses.html>

involve soliciting contributions. Examples of these expenses are the costs of holding a fundraising event, solicitation of contributions, or salary of individuals involved in the fundraising process. These are costs of all activities that relate to an appeal for financial support or for a contribution to an organization. Examples of these expenses are the costs of holding a fundraising event, solicitation of contributions, or salary of individuals involved in the fundraising process.

Together, administrative expenses and fundraising expenses make up a nonprofit's "overhead," or "operating expenses."

## **Continuity of Operations Plan\***

In case of an emergency, employees and members of the team should contact the Executive Director or Board President for instructions and resources. The Executive Director is responsible for IT response and coordination, the Board President is responsible for assisting with community outreach and program continuity, and the bookkeeper is responsible for continuity of financials operation. If necessary, an alternate meeting site will be selected by the Executive Director. In the case of no availability of meeting space, staff and volunteers will work remotely and communicate via telephone or Google hangouts for check-ins until a space is available.

## **Emergency Preparedness Policy\***

Due to the small size of the organization, in the case of an emergency (medical, fire, bomb threat, chemical/biological threat, etc.), any affected parties should call 911, then notify the Executive Director or President, if the Executive Director is not available. All should vacate the premises immediately and seek the nearest, safe shelter.

# Employee/Consultant Checklist

Although an individual's employment status can have major consequences on an employer's obligations under various state and federal laws, none of the laws clearly define the term "employee" or "employment." Instead, New York, Connecticut, and New Jersey courts consider a number of factors to classify individuals as employees or independent contractors.

However, the most important factor in determining whether an individual is an employee or an independent contractor is: the organization's *right to control* the individual's results and the method or means he uses to achieve those results.<sup>1</sup> In general, organizations have much more *control* over employees than independent contractors who, as their name implies, work more "independently." Generally, if an organization can dictate only the result of the work, as opposed to the means or the manner by which the work is done, the person is more likely an independent contractor. Examples of independent contractors may include certain professionals, such as: certified accountants, whose work entails a large degree of independence; artists, whose work requires expressive freedom; and skilled laborers such as plumbers and electricians.

While the level of control over the individual is of primary importance, to determine if person is an employee or an independent contractor, courts examine all facts and circumstances of the working

relationship, which may include the following

### Employee Definition

- The individual is required to follow the organization's instructions;
- The amount of integration of the individual into the organization's business;
- Whether the organization hires, fires, and pays assistants used by the individual, or whether the individual has discretion to use assistants as he/she sees fit;
- The existence of a continuing relationship between the individual and the organization;
- The establishment of a set amount of work hours;
- Whether the individual must devote substantially full time to the organization;
- Whether the individual works on the organization's premises;
- Whether the individual works according to a sequence set by the organization;
- Whether the individual must submit regular or written reports to the organization;
- Whether the individual is paid by time rather than by project;
- Whether the individual is reimbursed for expenses;
- Whether the individual furnishes his or her own tools and materials;
- Whether the individual has invested in the facilities for performing the services;
- Whether the individual can realize a profit or a loss;
- Whether the individual works for more than one organization at a time;
- Whether the organization has the right to discharge the individual; and
- Whether the individual has the right to terminate his or her relationship with the organization.

Determining whether a worker is an independent contractor or an employee is always a fact-specific determination. The key however, is to remember that control is the most significant issue when determining a person's employment status.

### Volunteer Definition

Federal law, under the federal Fair Labor Standards Act, (FLSA) defines individuals that provide services without any expectation of compensation, and without any coercion or intimidation, as "volunteers" (non-employees).

However, there are all sorts of nuances to this definition. For instance, if a volunteer receives a small payment or something of value in exchange for volunteering, is the worker automatically an employee even if she or he didn't "expect" to be paid? What about a worker who is not compensated but receives college credit for her work? Still a volunteer? Maybe, maybe not.

- Is the worker motivated by a personal civic, humanitarian, charitable, religious or public-service motive?
- Are the services performed typically associated with volunteer work?
- Are the services provided different from those typically performed by paid workers and are the hours of service less than full time?
- How much control does the nonprofit exert over the volunteer while she or he is performing services?
- Does the volunteer typically arrange his or her own schedule to provide services when it is convenient for the volunteer?

## **Independent Contractor**

Obtain a Federal Employer Identification Number from the Federal Internal Revenue Service (IRS) or have filed business or self-employment income tax returns with the IRS based on work or service performed the previous calendar year;

- Maintain a separate business establishment from the hiring business;
- Perform work that is different than the primary work of the hiring business and perform work for other businesses;
- Operate under a specific contract, and is responsible for satisfactory performance of work and is subject to profit or loss in performing the specific work under such contract, and be in a position to succeed or fail if the business's expenses exceed income.
- Obtain a liability insurance policy (and if appropriate, workers' compensation and disability benefits insurance policies) under its own legal business name and federal employer identification number;
- Have recurring business liabilities and obligations;
- If it has business cards or advertises, the materials must publicize itself, not another entity;
- Provide all equipment and materials necessary to fulfill the contract; and
- The individual works under his/her own operating permit, contract or authority.

## **Draft Contracts**

[Employee Contract Template](#)

[Intern Contract Template](#)

## **Documents and process for joining Human Impacts Institute**

[New Employee Packet](#)

[New Consultant Packet](#)

## **Great Ideas for Policies**

New York State Guidance:

<http://www.nyc.gov/html/nonprofit/downloads/pdf/Internal%20Controls%20and%20Financial%2>

[0Accountability%20for%20Not-for-Profit%20Board%20OAG.pdf](#)

Policy advice:

<http://www.compasspoint.org/sites/default/files/documents/Guide%20to%20Fiscal%20Policies%20and%20%20Procedures.pdf>

Google: <https://investor.google.com/corporate/code-of-conduct.html>

Upworthy: <http://www.upworthy.com/jobs>

Fiscal Controls:

<http://www.compasspoint.org/sites/default/files/documents/Guide%20to%20Fiscal%20Policies%20and%20%20Procedures.pdf>

### **Compliance from Grants Gateway:**

- Quorum of the board of directors must meet in compliance with the organization's bylaws
- Board of directors take minutes of all meetings and maintain records of such meetings consistent with its bylaws
- Board must review financial statements on a regular and consistent basis (monthly, bi-monthly, etc)
- Organization must separated its fiscal and legal functions.\*
- Senior management team formally review your organization's overall performance data on a frequent and consistent basis? If so, how frequently is performance data reviewed? If not, what is your organization's practice?\*
- Is your board's committee structure and the number of times each committee met during the past fiscal year consistent with the organization's bylaws?
- Board of Directors must meet and approve:
  - Annual operating budget
  - Policies and Procedures
  - Executive Performance and Compensation
  - Fundraising Plan
  - Internal Controls
  - Fiscal Controls
  - Annual Audit
  - Form 990
  - Program Operations and Performance Outcomes

### **Employee vs. Contractor Information**

- IRS employee vs contractor:
  - <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Independent-Contractor-Self-Employed-or-Employee>
  - <http://www.irs.gov/Charities-&Non-Profits/Exempt-Organizations:-Independent-Contractors-vs.-Employees>
  - IRS Checklist for independent contractor:  
[http://art.mt.gov/artists/IRS\\_20pt\\_Checklist\\_%20Independent\\_Contractor.pdf](http://art.mt.gov/artists/IRS_20pt_Checklist_%20Independent_Contractor.pdf)
  - NYS Department of Labor
    - <http://labor.ny.gov/ui/dande/ic.shtm>
    - <http://www.dol.gov/elaws/esa/flsa/docs/contractors.asp>
  - Nonprofit Employment Law Guide
  - <http://www.probonopartner.org/PBPGuide/frame.htm>