

**Corporate Resolution of  
Rockwall County Open Space Alliance  
Resolution No. 2016-2**

The board of directors of this corporation consent and agree that the following corporate resolution was distributed via electronic mail on:

August 29, 2016  
at 4:00 p.m.  
at Rockwall, Texas

***We do hereby consent to the adoption of the following, in accordance with the bylaws of this corporation, the board of directors decided that:***

At the August 22, 2016 meeting, the board of directors discussed the advice of attorney that a handbook will be created for corporation officers, directors, employees if any, and volunteers. The handbook will initially contain, but not be limited to, the corporation's policy and procedures for:

- Conflict of Interest Policy and Agreement
- Disclosure of Financial Information, Transparency and Accountability
- Code of Ethics and Whistleblower Policy,
- Document Retention Policy

***Therefore it is resolved that the corporation shall:***

Adopt the Operations Handbook attached to this Resolution.

***The officers of this corporation, its employees and agents are authorized to perform the acts to carry out this corporate resolution.***

*Neil Welborn* Neil Welborn Sept. 3, 2016

President signature

Printed Named

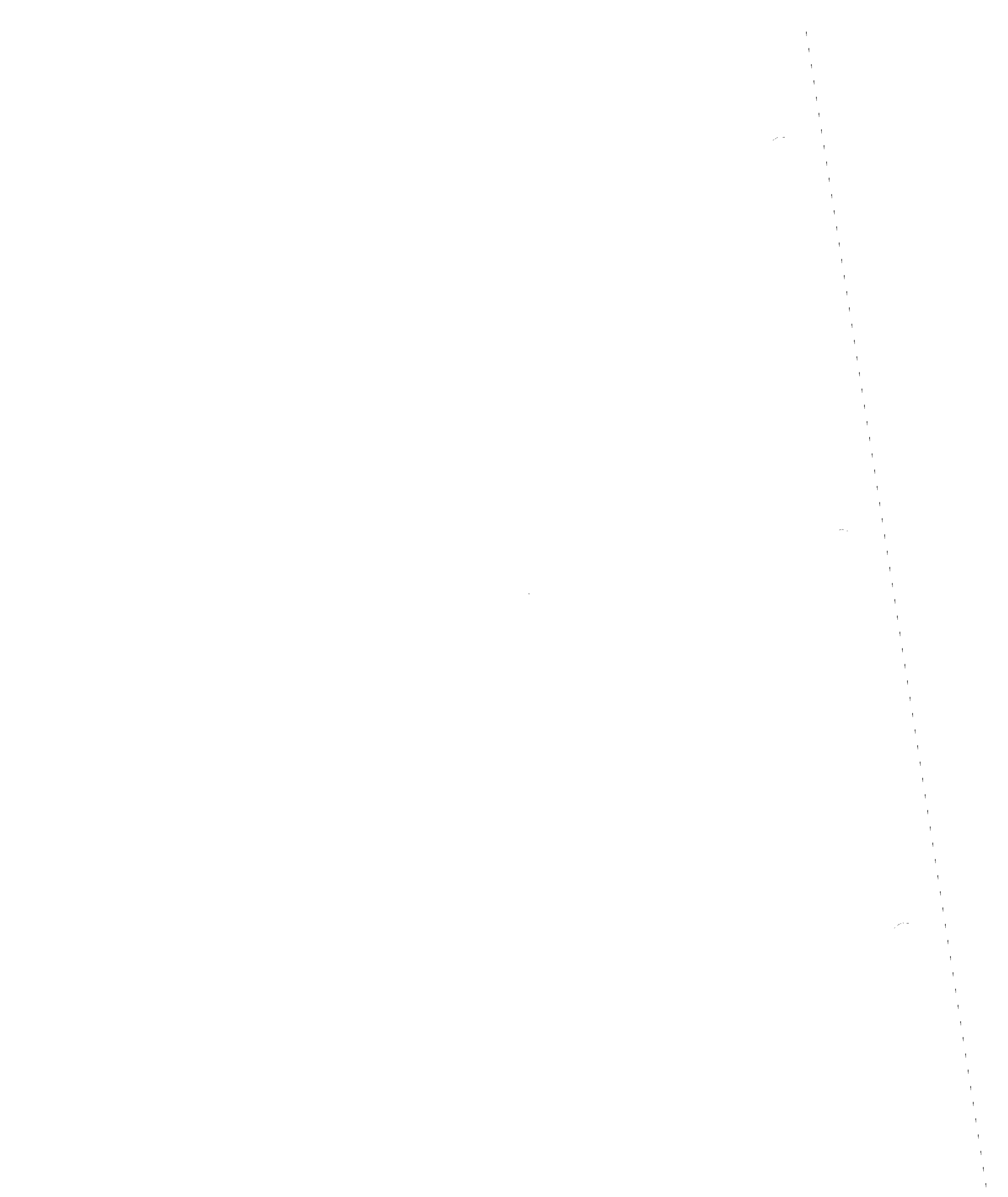
Date



**OPERATIONS POLICY HANDBOOK  
Rockwall County Open Space Alliance**

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**ARTICLE I**  
**Conflict of interest Policy and Agreement**

ARTICLE I

**1.1 Purpose and Application of the Conflict of Interest Policy**

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

(b) It is important for *Rockwall County Open Space Alliance* directors, officers, and staff to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting the affairs of the corporation and that the appearance of conflict can be troublesome even if there is in fact no conflict whatsoever. Conflicts occur because the many persons associated with the corporation should be expected to have, and do in fact generally have multiple interests and affiliations and various positions of responsibility within the community. In these situations a person will sometimes owe identical duties of loyalty to two or more corporations.

(c) Conflicts are undesirable because they potentially or eventually place the interests of others ahead of the corporation's obligations to its charitable purposes and to the public interest. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the parties. However, the long-range best interests of the corporation do not require the termination of all association with persons who may have real or apparent conflicts that are harmless to all individuals or entities involved.

**1.2 Protection of Corporation's Tax Exempt Status**

Each member of the board of directors and the staff of the corporation has a duty of loyalty to the corporation. The duty of loyalty generally requires a director or staff member to prefer the interests of the corporation over the director's/staff's interest or the interests of others. In addition, directors and staff of the corporation shall avoid acts of self-dealing which may adversely affect the tax-exempt status of the corporation or cause there to arise any sanction or penalty by a governmental authority.

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 considering the proposed transaction or arrangement.

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**2.1 Definitions**

The Conflict of interest policy applies to all interested persons as defined in this section.

**2.2 Interested Person**

Any director, principal officer, member of a committee, or other volunteer who has a direct or indirect financial interest, as defined below, is an interested person. The policy also extends to any future employees.

**2.3 Financial Interest**

A person has a financial interest if the person has, directly or indirectly, thorough 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, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

**3.1 Procedures - 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 considering the proposed transaction or arrangement

**3.2 Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3.3 Addressing the Conflict of Interest**

- (a) If a conflict of interest has been found, an interested person is barred from any discussion of the transaction with the governing board while a decision is pending. An interested person shall leave the meeting and not be present during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the governing board or committee shall determine whether the 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 governing board 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 it shall make its decision as to whether to enter into the transaction or arrangement.

### **3.4 Violations/Failure to Disclose**

- (a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **4.1 Minutes and Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

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**(b)** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **5.1 Compensation**

A voting member may not vote on matters regarding their own compensation. These rules apply to:

- (a)** Any voting member of the governing board who receives compensation, directly or indirectly from the corporation for services,
- (b)** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services,

**5.3.** No voting member of the governing board 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.

### **6.01 Annual Statements**

Each director, principal officer and member of a committee shall sign a statement at least annually, which affirms such person:

- (a)** Has received a copy of the conflicts of interest 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 that accomplish one or more of its tax-exempt purposes.

### **7.01 Periodic Reviews**

To ensure 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:



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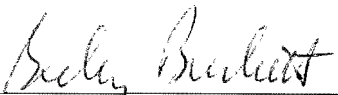
- (a) Whether compensation arrangements and benefits, if any, are reasonable, based on competent survey information and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management corporations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**8.01 Use of Outside Experts**

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**CERTIFICATE OF ADOPTION OF CONFLICT OF INTEREST  
POLICY AND AGREEMENT**

I do hereby certify that the above stated Conflict of Interest Policy and Agreement of the *Rockwall County Open Space Alliance* was approved and adopted by the board of directors on September 3, 2016 and constitutes a complete copy of the Conflict of Interest Policy of the corporation.

, Secretary  
[Secretary's Signature]

Date: Sept. 14, 2016

## CONFLICT OF INTEREST POLICY AND AGREEMENT

### I HEREBY CERTIFY

I have received a copy and read the Conflict of Interest Policy and agree to abide by the standards outlined therein.

I understand that I must disclose any potential conflict of interest for a determination by the appropriate body. Failure to do so could result in disciplinary and corrective action, which may include my removal from the position.

I acknowledge that I have read and understand this agreement and will comply with its terms.

Signature

Date

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**ARTICLE II  
Transparency and Accountability  
Disclosure of Financial Information With The General Public**

**2.1 Purpose**

By making full and accurate information about its mission, activities, finances, and governance publicly available, *Rockwall County Open Space Alliance* practices and encourages transparency and accountability to the general public. This policy will:

- (a) indicate which documents and materials produced by the corporation are presumptively open to staff and/or the public
- (b) indicate which documents and materials produced by the corporation are presumptively closed to staff and/or the public
- (c) specify the procedures whereby the open/closed status of documents and materials can be altered.

The details of this policy follow.

**2.2 Financial and IRS documents (The form 1023 and the form 990)**

*Rockwall County Open Space Alliance* shall provide its Internal Revenue forms 990, 990-T, 1023 and 5227, bylaws, conflict of interest policy, and financial statements to the general public for inspection free of charge.

**2.3 Means and Conditions of Disclosure**

*Rockwall County Open Space Alliance* shall make “Widely Available” the aforementioned documents on its internet website: [www.rockwallosc.org](http://www.rockwallosc.org) to be viewed and inspected by the general public.

- (a) The documents shall be posted in a format that allows an individual using the internet to access, download, view and print them in a manner that exactly reproduces the image of the original document filed with the IRS (except information exempt from public disclosure requirements, such as contributor lists).
- (b) The website shall clearly inform readers that the document is available and provide instructions for downloading it.
- (c) *Rockwall County Open Space Alliance* shall not charge a fee for downloading the information. Documents shall not be posted in a format that would require special computer hardware or software (other than software readily available to the public free of charge).

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- (d) *Rockwall County Open Space Alliance* shall inform anyone requesting the information where this information can be found, including the web address. This information must be provided immediately for in-person requests and within 7 days for mailed requests.

**2.4 IRS Annual Information Returns (Form 990)**

*Rockwall County Open Space Alliance* shall submit the Form 990 to its board of directors prior to the filing of the Form 990. While neither the approval of the Form 990 or a review of the 990 is required under Federal law, the corporation's Form 990 shall be submitted to each member of the board of director's via (hard copy or email) at least 10 days before the Form 990 is filed with the IRS.

**2.5 Board**

- (a) All board deliberations shall be open to the public except for Executive Sessions or where the board passes a motion to make any specific portion confidential.
- (b) All board minutes shall be open to the public once accepted by the board, except where the board passes a motion to make any specific portion confidential.
- (c) All papers and materials considered by the board shall be open to the public following the meeting at which they are considered, except for Executive Sessions or where the board passes a motion to make any specific paper or material confidential.
- (d) Executive Sessions may be held to discuss confidential matters relating to donors, personnel, sale/acquisition of property, and litigation. Any resulting action must be taken in Open Session and recorded as part of the minutes of that meeting

**2.6 Staff Records**

- (a) All staff records shall be available for consultation by the staff member concerned or by their legal representatives.
- (b) No staff records shall be made available to any person outside the corporation except as required by law.
- (c) Within the corporation, staff records shall be made available only to those persons with managerial or personnel responsibilities for that staff member, except that
- (d) Staff records shall be made available to the board when requested.

**2.7 Donor Records**

- (a) All donor records shall be available for consultation by the actual donors concerned or by their legal representatives.

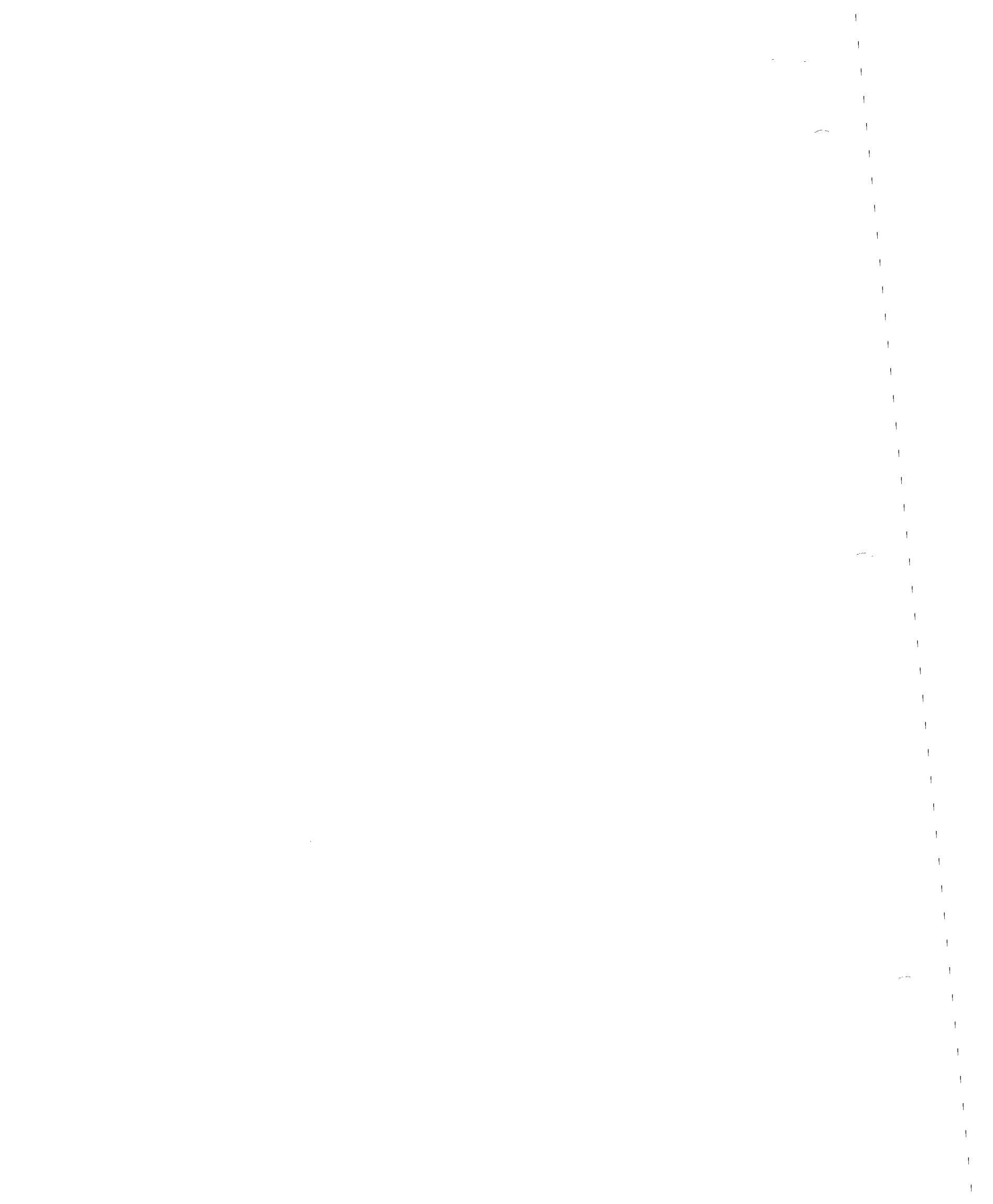
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- (b) No donor records shall be made available to any other person outside the corporation except as required by law.
- (c) Within the corporation, donor records shall be made available only to those persons with managerial or personnel responsibilities for dealing with those donors, except that:
- (d) donor records shall be made available to the board when requested.
- (e) donor records will be created and maintained by the treasurer or other designated individual.

**2.8 Freedom of Information Act (FOIA) and Privacy Act**

RCOSA is classified as a 501 (c) (3) nonprofit public charity under Section 509 (a) (2). In addition to funds from private sources, the organization is expected to apply for and receive funds from state and local government agencies. According to court rulings, such a private organization is subject to the provisions of the Freedom of Information Act (FOIA).

The Privacy Act of 1974 refers to information about individuals. If the policy stated in this section does not cover the situation, the question will be referred to an attorney.



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**ARTICLE III**  
**Codes of Ethics and Whistleblower Policy**

**3.1 Purpose**

*Rockwall County Open Space Alliance* requires and encourages directors, officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The employees and representatives of the corporation must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the intent of *Rockwall County Open Space Alliance* to adhere to all laws and regulations that apply to the corporation and the underlying purpose of this policy is to support the corporation's goal of legal compliance. The support of all corporate staff is necessary to achieving compliance with various laws and regulations. New interpretation or additional information about a law and/or a regulation will be shared with all directors, officers and employees without delay.

**3.2 Reporting Violations**

If any director, officer, staff or employee reasonably believes that some policy, practice, or activity of *Rockwall County Open Space Alliance* is in deliberate violation of law, that person must file a written complaint with the board president or vice president.

**3.3 Acting in Good Faith**

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

**3.4 Confidentiality**

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

**3.5 Handling of Reported Violations**

The board president or vice president shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. The board and its appointed committee shall promptly investigate all reports and appropriate corrective action shall be taken if warranted by the investigation.

This policy shall be made available to all directors, officers, staffs or employees and they shall have the opportunity to ask questions about the policy.





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**ARTICLE IV  
Document Retention Policy**

**4.1 Purpose**

The purpose of this document retention policy is establishing standards for document integrity, retention, and destruction and to promote the proper treatment of *Rockwall County Open Space Alliance* records.

**4.2 Policy**

**The board of directors shall establish by Resolution the appropriate retention policies for all corporate related documents.**

**(a) General Guidelines.**

Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense, which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, *Rockwall County Open Space Alliance* may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

**(b) Exception for Litigation Relevant Documents.**

*Rockwall County Open Space Alliance* expects all officers, directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or the *Rockwall County Open Space Alliance* informs you, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

**4.3 Minimum Retention Periods for Specific Categories.**

The board of directors shall establish appropriate retention policies for all corporation related documents.

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(a) Corporate Documents. Corporate records include the corporation's Articles of Incorporation, By-Laws and IRS Form 1023 and Application for Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

(b) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(c) Employment Records/Personnel Records. State and federal statutes require the corporation to keep certain recruitment, employment and personnel information. The corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees under applicable state and federal statutes. The corporation should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for seven years.

(d) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the corporation's minute book. The corporation should keep a clean copy of all other Board and Board Committee materials for no less than three years.

(e) Press Releases/Public Filings. The corporation should retain permanent copies of all press releases and publicly filed documents under the theory that the corporation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the corporation.

(f) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.

(g) Marketing and Sales Documents. The corporation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

(h) Development/Intellectual Property and Trade Secrets. All documents, conversations and materials relating to pending real estate transactions including purchase, gifting, leases or other methods of acquiring lands or rights of use should be treated as confidential information.

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Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the corporation and are protected as a trade secret where the corporation:

- (i) derives independent economic value from the secrecy of the information; and
- (ii) has taken affirmative steps to keep the information confidential.

The corporation should keep all documents designated as containing trade secret information for at least the life of the trade secret.

(i) Contracts. Final, execution copies of all contracts entered into by the corporation should be retained. The corporation should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(j) Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for three years.

(k) Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.

(l) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(m) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.

#### **4.1. Electronic Mail.**

Email that needs to be saved should be either:

- (a) printed in hard copy and kept in the appropriate file; or
- (b) downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.
- (c) each officer will be responsible for identifying and retaining those documents for which their office is responsible.