

**Friends of the Goethe-Institut in Washington, DC
812 7th St. NW, Washington, DC 20001**

Conflict of Interest Policy

1. Scope.

The following statement of policy applies to each member of the Board (Board) of Friends of the Goethe-Institut in Washington, DC (FoGI). It is intended to also serve as guidance for all persons employed by Friends of the Goethe-Institut in Washington, DC.

2. Fiduciary Responsibilities.

Members of the Board serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board are to be made solely on the basis of a desire to promote the best interest of FoGI, the Goethe-Institut Washington and the public good. The integrity of Friends of the Goethe-Institut in Washington, DC and the Goethe-Institut Washington must be protected and advanced at all times. Members of the Board are held to three standards of conduct: the duty of obedience, the duty of care, and the duty of loyalty. The duty of obedience requires Board members to be faithful to FoGI's mission and to act in a way that is consistent with the central goals of FoGI and applicable federal, state, and local laws. The duty of care requires Board members to exercise reasonable care by staying informed, participating in decisions, and acting in good faith when they make decisions on behalf of FoGI. The duty of loyalty requires Board members to put the interests of FoGI first when making decisions affecting FoGI. An effective board cannot consist of individuals entirely free from at least perceived conflicts of interest. Although most such potential conflicts are and will be deemed to be inconsequential, it is everyone's responsibility to ensure that the Board is made aware of situations that involve personal, familial or business relationships that may be troublesome for Friends of the Goethe-Institut in Washington, DC or the Goethe-Institut Washington. Thus, the Board requires each Board member annually (1) to review this policy; (2) to disclose any substantive relationship as defined below for purposes of this policy; and (3) to acknowledge by his or her signature that he or she is in accordance with the letter and spirit of this policy.

3. Disclosure.

All Board members are required to disclose those substantive relationships defined in this policy or which otherwise could be construed to potentially affect their independent, unbiased judgment in light of their decision-making authorities or responsibilities. Any uncertainties as to the appropriateness of listing a particular relationship may be resolved by consultation with the Chairperson of Friends of the Goethe-Institut in Washington, DC, who in turn may consult with legal counsel or the Board in executive session. Information disclosed or provided by any person pursuant to this policy shall be held in confidence except when, after consultation with that person, the best interests of Friends of the Goethe-Institut in Washington, DC or the Goethe-Institut Washington would be served by disclosure. The following definitions are provided to assist Board members in determining whether to disclose a particular relationship:

Substantive Relationship. One involving Friends of the Goethe-Institut in Washington, DC, the Goethe-Institut Washington, or any of their affiliates in which the Board member, a family member of the Board member, or an entity in which any of the foregoing persons is a director, trustee, officer, or general partner, or has a material financial or influential interest, has a direct or indirect financial interest.

Material Financial or Influential Interest. A person has a material financial or influential interest in any entity in which such person is an officer, director, employee, partner, trustee, controlling stockholder or the actual or beneficial owner of more than 5 percent of the voting or profits interest.

Family Member. A spouse, parents, siblings, children or any other relative of a Board member if the latter resides in the same household as the Board member.

4. Restraint on Participation.

Board members who have declared or have been found to have a conflict of interest shall refrain from consideration or proposed transactions, unless for special reasons the Board or administration requests information or interpretation. Persons with conflicts shall not vote, participate in discussion or be present at the time of the vote. Any proposed transaction in which a conflict of interest has been declared or found to exist must be approved by a majority of the disinterested members of the Board or the appropriate committee of the Board after disclosure of the conflict of interest.

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Document Retention and Destruction Policy

I. Purpose

This policy provides for the systematic review, retention, and destruction of documents received or created by Friends of the Goethe-Institut in Washington, DC (hereafter referred to as FoGI) in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate FoGI's operations by promoting efficiency and freeing up valuable storage space.

II. Document Retention

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

Corporate Records

Articles of Incorporation Permanent

Board Meeting and Board Committee Minutes Permanent

Board Policies/ Resolutions Permanent

Bylaws Permanent

Contracts (including any proposal that can/has resulted 6 years (after expiration) in a contract and all other supporting documentation)

Correspondence (general) 3 years

Fixed Asset Records Permanent

IRS Application for Tax-Exempt Status (Form 1023) Permanent

IRS Determination Letter Permanent

State Sales Tax Exemption Letter Permanent

Accounting and Tax Records

Annual Audits and Financial Statements Permanent

Annual Plans and Budgets 2 years

Business Expense Records 7 years

Cash Receipts 7 years

Credit Card Receipts 3 years

Depreciation Schedules Permanent

Expense Analyses/Expense Distributions Schedules 7 years

General Ledgers Permanent

Invoices (except those voided) 7 years

IRS Form 990 and 990T Tax Returns Permanent

IRS Forms 1099 7 years

Journal Entries 7 years

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Void Check History and Related Invoices 10 years
Membership Forms with Payment Information 3 years

Bank Records

Bank Deposit Slips 7 years
Bank Reconciliations 7 years
Bank Statements 7 years
Check Registers 7 years
Canceled Checks 7 years
Electronic Fund Transfer Documents 7 years

Donor and Grant Records

Acknowledgement Letters 7 years
Donor Records Permanent
Grant Applications and Agreements Permanent

Legal, Insurance and Safety Records

Licenses and Permits Permanent

Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an electronic document, the electronic document should be printed in hard copy and kept in the appropriate file, moved to an “archive” network folder, or clearly labeled digital media (e.g. CD/DVD).

III. Storage of Documents

FoGI’s records will be stored in a safe and secure manner. Active records and records that need to be easily accessible may be stored in the Goethe-Institut’s office space or equipment.

IV. Document Destruction

The Goethe-Institut staff member assigned to manage records for Friends of the Goethe-Institut is responsible for the ongoing process of identifying its records which have met the required retention period, and overseeing their destruction. Destruction of financial documents will be accomplished by shredding. Destruction of electronic documents will be accomplished by permanently removing deleted files from the computer system.

In accordance with 18 U.S.C. section 1519 and the Sarbanes-Oxley Act, FoGI shall not knowingly destroy a document with the intent to obstruct, impede, or influence an investigation or proper administration of any matter within the jurisdiction of any U.S. department or agency or in relation to or in contemplation of such a matter or investigation. Document destruction will be **SUSPENDED IMMEDIATELY** upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation or upon determination by legal counsel that such documents are no longer needed.

V. Compliance

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against FoGI and possible disciplinary action against responsible

individuals. The Chair of the Board will annually review these procedures with legal counsel and FoGI's certified public accountant to ensure that they are in compliance with new or revised regulations, modify them accordingly, and inform all employees of any such changes.

Failure to comply with this Document Retention and Destruction Policy may result in punitive action against the employee, including suspension or termination. Questions about this policy should be referred to the Chair of the Board, who is in charge of administering, enforcing, and updating this policy.

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Whistleblower Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics, Friends of the Goethe-Institut in Washington, DC (hereafter referred to as FoGI) will investigate any suspected fraudulent or dishonest use or misuse of FoGI's resources or property by Board members or consultants. Board members and consultants are encouraged to report suspected fraudulent or dishonest conduct (i.e., to act as a "whistleblower"), pursuant to the procedures set forth below.

I. Reporting

Board members should report their concerns about possible fraudulent or dishonest use or misuse of resources or property to the President of the Board. Consultants working with FoGI should report their concerns directly to the individual they are working with or, if the Consultant's concern pertains to that individual, to the individual's supervisor or the President of the Board, as appropriate under the circumstances. If, for any reason, a person finds it difficult to report his or her concerns to a supervisor, the person may report the concerns directly to the President of the Board, as appropriate under the circumstances. Alternately, to facilitate reporting of suspected violations where the whistleblower wishes to remain anonymous, a written statement may be submitted by the whistleblower in lieu of an oral report to the appropriate individual listed above. FoGI's detailed procedures for reporting concerns are outlined in section III of this policy.

II. Definitions

Baseless Allegations

Allegations made with reckless disregard for their truth or falsity. Individuals making such allegations may be subject to disciplinary action by FoGI and/or legal claims by any individual accused of such conduct.

Fraudulent or Dishonest Conduct

A deliberate act or failure to act with the intention of obtaining an unauthorized benefit for any person. Examples of such conduct include:

1. Forgery or alteration of documents
2. Unauthorized alteration or manipulation of computer files
3. Fraudulent financial reporting
4. Pursuit of a benefit or advantage in violation of FoGI's Conflict of Interest Policy
5. Misappropriation or misuse of FoGI's resources, such as funds, supplies, or other assets
6. Authorizing or receiving compensation for goods not received or services not performed
7. Authorizing or receiving compensation for hours not worked

Whistleblower

A board member or consultant who informs the President of the Board about an activity relating to FoGI which that person believes to be fraudulent or dishonest.

Rights and Responsibilities

Supervisors

Supervisors who receive a report of suspected fraudulent or dishonest conduct are required to report such suspected fraudulent or dishonest conduct to the President of the Board or, if the report pertains to the President, to another member of the Board. Reasonable care should be taken in dealing with suspected misconduct to avoid:

1. Baseless allegations
2. Premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation
3. Violations of a person's rights under law

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Supervisors, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform any investigative or other follow-up steps on their own. Accordingly, a supervisor who becomes aware of suspected misconduct:

1. Should not contact the person suspected to further investigate the matter or demand restitution
2. Should not discuss the case with attorneys, the media, or anyone other than the President
3. Should not report the case to an authorized law enforcement officer without first discussing the case with the President

Investigation

All relevant matters, including suspected but unproved matters, will be reviewed and analyzed, with documentation of the receipt, retention, investigation, and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and findings will be communicated to the reporting person and his or her supervisor. Investigations may warrant investigation by independent persons such as auditors and/or attorneys.

Whistleblower Protection

FoGI will protect whistleblowers as defined below:

1. FoGI will use its best efforts to protect whistleblowers against retaliation. Whistleblowing complaints will be handled with sensitivity, discretion, and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that whistleblower complaints will only be shared with those who have a need to know so that FoGI can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, contact law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of a whistleblower complaint, such persons may also have the right to know the identity of the whistleblower.)
2. Employees and consultants of FoGI may not retaliate against a whistleblower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees.

Whistleblowers who believe that they have been retaliated against may file a written complaint with the President. Any complaint of retaliation will be promptly investigated

and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

3. Whistleblowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).

III. FoGI Reporting Procedures

The “whistleblower” procedure is intended to describe the process through which concerns about the possible misuse of FoGI assets are handled pursuant to this Whistleblower Policy.

1. Once a report is made by a whistleblower under the procedures outlined above, the report is to be promptly reviewed by the President (or a member of the Board in cases of a report involving the activities of the President) to determine whether the report constitutes a complaint or a non-complaint. A report will be initially addressed within ten (10) business days of receipt of the report.

a. A *complaint* means any report involving (i) questionable accounting, auditing, financial reporting, or internal controls; (ii) suspected fraud, theft, or improper use of company assets; (iii) a violation of FoGI’s conflict of interest policy that results in a financial harm to FoGI; or (iv) a claim of retaliation against any employee making a good-faith report regarding any of the preceding matters.

b. A *non-complaint* means a report of any other matter not involving a misuse of FoGI’s assets.

2. If the report is deemed to be a complaint, it will be promptly investigated and forwarded to the President of the Board. If the report is deemed to be a noncomplaint, it will be reported to the President of the Board, and referred to the appropriate member of management for follow-up. Some non-complaints may involve serious matters and may require prompt investigation, but may nevertheless not involve misuse of FoGI’s assets.

3. Each complaint is fully investigated, and as far as possible handled so as to protect the privacy of the employee making the complaint. A written report of the outcome of each investigation is prepared and delivered to the President of the Board.

4. The President of the Board decides whether the report involves a matter that is material. If it is deemed material, it is reviewed by the Board, which may direct the President to take actions to resolve the situation. If the report is deemed nonmaterial, it is not to be reviewed by Board, but is instead to be addressed by the President, who will summarize all concerns raised, whether deemed material or not to the Board.

IV. Distribution of Policy

At the beginning of each fiscal year, each consultant and Board member of Friends of the Goethe-Institut in Washington, DC will be provided a copy of FoGI’s Whistleblower Policy to review.