



# **Music City Youth in the Arts**

**Board of Directors Handbook**

version 11.02.23

**Music City Youth in the Arts, Inc.  
Board of Directors Handbook**

I.	MUSIC CITY YOUTH IN THE ARTS, INC. BYLAWS.....	3
II.	STATEMENT OF PRINCIPLES (ver. 04.28.18).....	7
III.	BOARD GOVERNANCE POLICY (ver. 12.31.17).....	8
IV.	DIRECTORS' PERSONAL GIVING POLICY (ver. 04.28.18).....	10
V.	BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY (ver. 11.15.20).....	11
VI.	WHISTLEBLOWER PROTECTION POLICY (ver. 08.04.19).....	13
VII.	PUBLIC DISCLOSURE POLICY (ver. 12.31.17).....	15
VIII.	DOCUMENT RETENTION AND DESTRUCTION POLICY (ver. 12.31.17).....	16
IX.	Gift Acceptance Policy (ver. 12.31.17).....	20
X.	FORM 990 REVIEW POLICY (ver. 12.31.17).....	22
XI.	NON-DISCRIMINATION STATEMENT AND POLICY (ver. 12.31.17).....	23
XII.	FUNDRAISING POLICY (ver. 12.31.17).....	24

## I. MUSIC CITY YOUTH IN THE ARTS, INC. BYLAWS

### Article I: Organization

- Section 1. The name of this Corporation shall be Music City Youth in the Arts, Inc. (“Organization” or “MCYA”).
- Section 2. *Vision:* Music City Youth in the Arts exists to positively transform young people’s lives.
- Mission:* Music City Youth in the Arts provides accessible and experiential education in music and visual performance arts to young people through programming emphasizing camaraderie, well-being, and leadership development.
- Section 3. The principal offices of MCYA shall be located in or in close proximity to the City of Nashville, Tennessee.
- Section 4. MYCA is organized exclusively for educational purposes and all other legal powers permitted a not-for-profit corporation. This Corporation is a Public Benefit Corporation.
- Section 5. MYCA will operate exclusively for charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, and by the State of Tennessee regulations for non-profit corporations.
- Section 6. The flagship performing ensemble sponsored by MCYA will be a drum and bugle corps whose primary performance opportunities will be made available through its association with Drum Corps International.

### Article II: Board of Directors

- Section 1. The governance of the Organization shall be vested in the Board of Directors. Those serving on the Board of Directors are expected to participate in fundraising, all other Board matters and committee assignments.
- Section 2. The Board members shall serve without compensation for fulfilling their board responsibilities, except for reimbursement of reasonable costs and expenses of activities directly related to their position as Board members. Such reimbursement shall be approved by the Board President.
- Section 3. The Board shall consist of a minimum of nine (9) voting members. Ex-officio members may be appointed or invited to the Board at its discretion in a non-voting capacity.
- Section 4. Each year, at least three (3) Board members will be nominated & elected to a three-year term by a two-thirds (2/3) affirmative vote of a quorum of the voting members of the Board. Thus at least nine (9) members serve staggered three-year terms. Board members who are elected to an officer role with less than two years remaining in their current three-year term will automatically have their term extended in support of their elected officer term (see Article III, Section 2). Board members ending a three-year term can be nominated & elected to a renewed term. There is not a limit to Board members serving renewed terms.
- Section 5. Each elected Board member’s term shall expire at the end of MCYA’s fiscal year in which they reach the three (3) year term. Vacancies will be filled by the Board until the next regularly scheduled Board of Directors meeting. Board members elected during the middle of a fiscal year will have their terms begin with the fiscal year in which they were elected.

- Section 6. The Board of Directors shall be made up of individuals with diverse backgrounds and areas of expertise.
- Section 7. Candidates for Board positions will be identified by current MCYA Board members and brought forward during a Board of Directors meeting. Further vetting of the candidate (e.g. interviews) should be required before a nomination motion is brought forward. Board candidates are elected by a two-thirds (2/3) affirmative vote of a quorum of the voting members of the Board. No individual shall be elected to any Board membership position without their acceptance of the nomination.
- Section 8. There shall be a minimum of four (4) regular meetings of the Board each year. Additional Board meetings may be held at the call of the Board President. All Board members will be notified by personal phone call or written notice by the President or his representative of the scheduled meetings. Any Board member with two (2) consecutive unexcused absences or three (3) unexcused absences within a single fiscal year will be subject to removal from the Board at the discretion of the Board President.
- Section 9. A quorum at any meeting shall consist of a simple majority of current Board members. Unless otherwise specifically provided for herein under specific circumstances set forth, the simple majority of a quorum shall be authorized, and is competent to act and take official action on behalf of the Organization.
- Section 10. Mail and/or proxy votes are not allowed at Board meetings. Members participating in any meeting remotely shall be allowed to vote. Voting may be conducted electronically, providing that the voting is held in real-time, only present board members are allowed to vote, and the board members' anonymity can be ensured for secret-ballot elections.

### **Article III - Officers**

- Section 1. The elected officers of MCYA shall be a Board President, Treasurer, Vice-President, and Secretary, and they shall be elected in that order. No person shall concurrently serve in more than one elected office. Elections shall take place at the final Board meeting of each Fiscal Year, but no later than October 31. All elected officers' terms begin on November 1.
- Section 2. Nominations for Officers shall be taken from the Board as a whole and shall proceed to election following an appropriate second. A two-thirds (2/3) affirmative vote of a quorum of the voting members of the Board shall elect a candidate. A candidate for a Board office may vote on his or her own election. Voting at elections will be by secret ballot.
- Section 3. Officers will serve a two-year term. No person shall serve more than two consecutive terms in the same office. Officers elected during the middle of a term will have their terms begin with the fiscal year in which they were elected.
- Section 4. The President shall be the principal officer and shall act as Board Chairperson during meetings and shall be responsible for the execution of Board policy and for the management of the affairs of the Organization through Board officers, any hired professionals (managerial, instructional, or support staff), any committee chairperson, or any designee of the Board. The President conducts and arranges for all meetings of the Board.
- Section 5. The Vice-President shall act as Board Vice-Chairperson, will assist the President in the performance of duties, and shall preside over Board meetings in the absence of the President. The Vice-President shall act as the Compliance Officer with respect to Organization's "Whistleblower Protection Policy."
- Section 6. The Treasurer shall be responsible for oversight of the corporate financial books of account. These duties shall include that the corporate financial books are properly maintained and that

expenditures of the Organization are in agreement with the budget approved by the Board. The Treasurer shall ensure that all applicable tax returns are timely filed so the Organization maintains its nonprofit status. The Treasurer shall also preside over Board meetings in the absence of the President and Vice-President.

- Section 7. The Secretary shall be responsible for the minutes of meetings of the Board and shall be custodian of the Organization's records. Secretary shall act as the Administrator with respect to Organization's "Document Retention and Destruction Policy". Further, the Secretary shall have such duties as described by law and shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.
- Section 8. Other officers may be appointed by the Board as may be deemed necessary. The duties of these officers of the Board shall be set forth in writing at the time of appointment.
- Section 9. No individual shall be elected to any office without their acceptance of the nomination.

#### **Article IV: Standing Committees**

The Board relies on Standing Committees to help divide the work of the Corporation, to expedite work by removing routine tasks from entire Board consideration, and as a means to utilize the specific talents and knowledge of Board members. Each Board member shall serve on at least one Standing Committee.

- Section 1. **The Executive Committee** shall consist of a minimum of six (6) voting board members including the President and Vice President. The President shall select the other members of the executive committee at the beginning of each fiscal year. No individual shall be selected to the Executive Committee without their acceptance to the same. The Executive Committee is empowered to exercise the powers of the full Board with respect to any matter that, in the opinion of the President, should not be postponed until the next scheduled meeting of the Board. The Committee may not: (1) authorize distributions; (2) approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of the corporation's assets; (3) elect, appoint or remove directors or fill vacancies on the board or (4) adopt, amend or repeal the charter or bylaws. Executive Committee meetings can be called upon reasonable notice to all Committee members by the President as deemed necessary. The Committee's actions are subject to approval or modification by the full Board at its next regular meeting.
- Section 2. **The Governance Committee** shall consist of at least three (3) Board members. The chairperson of the Committee shall be appointed by the President and approved by the Board. The Governance Committee oversees the identification, recruitment, orientation, training and retention of board members and evaluates the performance of the board. Additionally, the Committee is responsible for reviewing applications and selecting recipient(s) of any scholarships or monetary awards offered by the Corporation.
- Section 3. **The Internal Affairs Committee** shall consist of the Treasurer, MCYA Operations Director and at least three (3) additional Board Members. The chairperson of the Committee shall be appointed by the President and approved by the Board. Neither the Treasurer nor the Operations Director may serve as the Committee chairperson. The Internal Affairs Committee handles issues related to finance, investments, capital acquisitions, insurance, human resources and facilities. Prior to each Board meeting the Committee shall be provided and review a reasonably current written report from the Treasurer of revenue and expenses in comparison to the approved annual budget.
- Section 4. **The External Affairs Committee** shall consist of the Executive Director of MCDC and at least three (3) additional Board members. The chairperson of the Committee shall be appointed by the President and approved by the Board. The ED of MCDC may not serve as the Committee chairperson. The External Affairs Committee handles issues related to public relations, communications, and marketing.

- Section 5. **The Development Committee** shall consist of the MCYA Operations Director and at least three (3) additional Board members. The chairperson of the Committee shall be appointed by the President and approved by the Board. The Operations Director may not serve as the Committee chairperson. Committee membership may include persons outside the Board of Directors. The Development Committee handles issues related to fundraising, donor cultivation, solicitation of charitable gifts-in-kind, and philanthropic partnerships or sponsorships.
- Section 6. **The Diversity, Equity and Inclusion Committee** shall consist of at least three (3) Board members. The chairperson of the Committee shall be appointed by the President and approved by the Board. The Committee shall include a minimum of three (3) individuals not serving on the Board of Directors selected by the Committee itself. The Diversity, Equity and Inclusion Committee works to ensure and assess accountability surrounding diversity, equity and inclusion in all MCYA operations, staffing, leadership, youth participants and policies.
- Section 7. **The Participant Protection Committee** shall consist of at least three (3) Board members. The chairperson of the Committee shall be appointed by the President and approved by the Board. The Participant Protection Committee develops and oversees policies and procedures to ensure all performers, participants and staff, whether minors or adults, may enjoy MCYA activities in an environment that is healthy and free of abuse or misconduct. The Participant Protection Committee will investigate all reports related to participant safety, harassment, sexual abuse, or other misconduct.

#### **Article V: Professional Staff**

- Section 1. The Board of Directors of the Association may directly or through the Executive Committee research and obtain such professional expertise as the Board may determine is necessary and appropriate to facilitating the activities and needs of MCYA. Terms and conditions of each selection and agreement are subject to at least annual Board review and approval.
- Section 2. The Operations Director and Executive Director MCDC positions for the Organization shall be selected by the Board to serve a specific term of employment. The Operations Director and Executive Director MCDC are responsible to the Board for the successful management of the operating activities of the Organization and will have complete responsibility and authority to manage the group within the constraints of MCYA's Bylaws, the policies adopted by the Board, and the current budget approved by the Board for the Organization's activities. The Operations Director will be responsible for preparing a proposed annual budget for submission to the Internal Affairs Committee for its review at least a month prior to the final meeting of the Board in the preceding fiscal year, and for submitting timely financial reports to the MCYA Treasurer. The Executive Director MCDC shall be responsible for the appointment of all administrative and artistic staff of the performing unit, consistent with such policies as are adopted by the Board. The Operations Director and Executive Director MCDC will have additional duties as outlined in their respective job descriptions.

## II. STATEMENT OF PRINCIPLES (ver. 04.28.18)

Music City Youth in the Arts, Inc. provides accessible and experiential education in music and visual performance arts to young people through programming emphasizing camaraderie, well-being, and leadership development. The organization's primary program is the Music City Drum and Bugle Corps.

Participation with a drum and bugle corps and other performance ensembles is known to make a dramatically positive difference in the lives of young people. In addition to applied musical and performance competencies, members gain character development; improved self-confidence and self-esteem; learn the value of teamwork; learn the value of commitment to purpose; learn the value of personal responsibility, integrity, sacrifice and excellence; meet and work with people from diverse backgrounds; and make new, lifelong friends.

The short-term outcome of this educational effort is a predictable improvement in skills from all participants by the season's end. This can be measured both subjectively by the organization's instructors and assessed objectively by judges at successive competitive performances throughout the season. The long-term outcome of the program for participants is the promotion of a lifelong love and appreciation of music and performance arts. The program as a whole also encourages the pursuit of higher education and allows participants to transfer skills acquired to become valued contributors, team members, and campus and civic leaders.

Music City Youth in the Arts, Inc. relies on dedicated and engaged volunteers to serve as members of its Board of Directors. Directors are responsible for overseeing the governance, policies, financial health, and operations of the nonprofit organization. The members of the Music City Youth in the Arts, Inc. Board of Directors, individually and collectively, are committed to providing the time and resources necessary to preserve the opportunities expressed in the organization's mission.

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### III. BOARD GOVERNANCE POLICY (ver. 12.31.17)

#### A. Purposes of this Policy

1. To provide a framework within which directors and officers of the Board of Music City Youth in the Arts, Inc. (a/k/a MCYA) will be guided in the execution of their fiduciary duties on behalf of MCYA.
2. To help assure awareness by directors and officers of the Board of MCYA of their basic fiduciary duties under state law and of their obligations related to federal tax exemption granted MCYA.
3. To help assure that the decisions and conduct of the directors and officers of the Board of MCYA are at all times consistent with their duties and obligations and with the charitable mission of MCYA.

#### B. Obligations of the Board and Individual Directors

1. Mission: MCYA is operated exclusively for the exempt purpose established in its mission, and shall engage primarily in activities which further that mission.
2. Directors' Role:
  - a. The directors are those persons with voting power on the Board of Directors responsible for the operation of MCYA. All corporate powers are exercised by or under the authority of the Board and the affairs of MCYA are managed under the direction of the Board.
  - b. The directors do not manage the day-to-day affairs of MCYA, but delegate that function to others. Directors must, however, exercise reasonable and prudent oversight with respect to corporate officers, agents and employees to whom such affairs are delegated.
  - c. In the performance of his or her duties, a director may rely on information and reports received from officers or employees of MCYA whom the director reasonably believes to be reliable and competent in the matters presented, as well as on professional advisors (e.g. attorneys, public accountants) and other persons with regard to matters the director reasonably believes are within the person's professional or expert competence. A director may also rely upon a committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence.
  - d. Core Fiduciary Obligations of Directors
    - i. Duty of Care
      - (a) A director shall discharge his or her duties as a director, including duties as a member of a committee:
        - (i) In good faith;
        - (ii) With the care of an ordinarily prudent person in a similar position would exercise under similar circumstances; and
        - (iii) In a manner the director reasonably believes to be in the best interests of MCYA.
      - (b) The duty of care implies a duty of reasonable inquiry. Each director is obligated to ask questions and demand information to allow that director to have sufficient information and understanding to make decisions he or she reasonably believes are in MCYA's best interests.
      - (c) A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance on advice from employees, officers, advisors and consultants, or other directors or board committees unwarranted.



ii. Duty of Loyalty

- (a) Each director is obligated to exercise an undivided and unselfish loyalty to MCYA. Each director must exercise his or her obligations and powers in the best interests of MCYA and its charitable mission, not in his or her own interests or in the interests of another person or entity (even if charitable in nature).
- (b) Each director must serve the best interests of MCYA and may not narrow his or her board role to serving the interests of a particular member, non-voting affiliate, or narrow segment or constituency within the community of nonprofit organizations served by MCYA.
- (c) Each director shall fully comply with MCYA's conflict of interest policy and code of ethics.
- (d) Each director must refrain from taking corporate opportunities that rightfully belong to MCYA. A corporate opportunity is a business or personal opportunity that is known to the director because of his or her position as a director. A director may not personally benefit from an opportunity that rightfully belongs to MCYA. Each director is obligated to affirmatively protect the interest of MCYA and to refrain from doing anything that would deprive MCYA of profit or advantage which the director's skill or ability might bring to it.

iii. Obedience to Purpose

- (a) Each director is obliged to further the mission of MCYA, to be faithful to its purposes and goals, and to act in conformity with all laws affecting MCYA.

**C. Manner of Governing**

1. The Board shall enforce upon itself whatever discipline is needed to govern with excellence.
2. The Board shall cultivate a sense of group responsibility. The Board is responsible for governing with excellence. The Board will use the expertise of individual members to enhance the ability of the Board as a body, rather than allowing individual expertise of directors substitute for judgments that should be made by the Board as a body.
3. The Board shall follow the Bylaws in implementing a governance structure and operations that are accountable to MCYA's members and its mission. In particular, it shall do the following:
  - a. Conduct regularly scheduled board meetings and expect that directors will attend and actively participate.
  - b. Adopt and monitor policies that assure adequate oversight of the affairs of MCYA, including of its officers and employees, adequate implementation of its programs, and compliance with the law.
4. The Board shall engage in periodic evaluation of whether it is fulfilling its obligations by asking for member input or by conducting a survey of related stakeholders.
5. The Board shall direct, control and inspire MCYA through careful organizational planning to assure that MCYA is effectively pursuing its mission. The Board shall review its organizational plan at least annually and shall update it as needed to effectively pursue MCYA's charitable mission.

#### **IV. DIRECTORS' PERSONAL GIVING POLICY (ver. 11.02.23)**

The long-term solvency of Music City Youth in the Arts, Inc. and the activities it supports is dependent upon a sustainable funding mix that includes charitable donations and grants.

Board members of most charitable organizations are expected to participate in fundraising. An appeal is particularly convincing if a board member uses him or herself as an exemplary donor.

The board is responsible for providing a sound financial basis for the organization. By personally contributing, a board member recognizes this responsibility and demonstrates a commitment.

Nearly 90 percent of American households contribute to charities. A board member should designate his or her own organization as one of the main recipients of his or her generosity.

Many foundations only contribute to organizations where every board member is a contributor.

Board members of Music City Youth in the Arts, Inc. are expected to make an annual financial contribution of at least \$1,000. It is up to each individual board member to raise the funds or make a personal contribution.

## V. BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY (ver. 11.15.20)

Officers and directors should be aware that conflicts of interest can arise through various relationships including, but not limited to, family relationships, economic relationships and personal or intimate relationships. No officer or director of Music City Youth in the Arts, Inc. (MCYA) shall operate or act in any manner that is contrary to the best interests of MCYA.

### **Conflict of Interest is created when:**

- An officer or director, (or a family member of the foregoing) is party to a contract, or involved in a transaction with MCYA for goods or services.
- An officer or director, (or a family member of the foregoing) has a financial interest in a transaction between MCYA and an entity in which the officer or director, or a family member has an interest or relationship.
- An officer or director, (or a family member of the foregoing) is engaged in some capacity or has a material interest in a business or enterprise that competes with MCYA.
- An officer or director has a personal interest that conflicts with the interests of MCYA or arises in situations where an officer or director has divided loyalties (also known as a “duality of interest”).

A conflict arising out of a personal interest can occur in situations that result in inappropriate financial gain to persons in authority at MCYA and can lead to financial penalties and violations of IRS regulations. Situations or transactions arising out of a conflict of interest also can result in either inappropriate financial gain or the appearance of a lack of integrity in MCYA decision-making process. Other situations may create the appearance of a conflict, or present a duality of interests, with a person who has influence over the activities or finances of MCYA.

### **A. Disclosure**

It is the duty of all officers and directors to be aware of this policy, and to identify conflicts of interest and situations that may result in the appearance of a conflict and to disclose those situations, conflicts or potential conflicts to the President of the Board of Directors.

Officers and directors are urged to disclose conflicts as they arise as well as to disclose those situations that are evolving that may result in a conflict of interest. Advance disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict.

In the event it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to the Board President who shall determine whether there exists a conflict of interest that is subject to this policy.

All such circumstances should be disclosed to the board and a decision made as to what course of action the organization and/or individuals should take so that the best interests of MCYA are not compromised by the personal interests of stakeholders in the nonprofit.

### **B. Reporting Possible Violations**

MCYA maintains an “open door” policy to communicate possible violations of any MCYA policy. All communications of this nature will be kept in strictest confidence and will be investigated by the board thoroughly and fairly. See the MCYA Whistleblower Policy for reporting procedures.

### **C. Annual Disclosure Form**

MCYA officers and directors are required to complete and submit a Conflict of Interest Disclosure Form each fiscal year. Completed forms will be maintained by the Secretary of the Board of Directors.

## CONFLICT OF INTEREST POLICY • SAMPLE DISCLOSURE STATEMENT

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Position (officer/director): \_\_\_\_\_

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between Music City Youth in the Arts, Inc. and your personal interests, financial or otherwise:

\_\_\_\_ I have no conflict of interest to report

\_\_\_\_ I have the following conflict of interest to report (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own):

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of Music City Youth in the Arts, Inc.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## **VI. WHISTLEBLOWER PROTECTION POLICY (ver. 08.04.19)**

Music City Youth in the Arts, Inc. (“MCYA”) is committed to lawful and ethical behavior in all of its activities and requires that its board members, employees, contractors, consultants, volunteers and member participants (collectively, “MCYA Persons”) conduct themselves in a manner that complies with all applicable laws and MCYA policies. Set forth below is the MCYA policy with respect to reporting good faith concerns about the legality or propriety of actions or plans taken by MCYA Persons.

### **A. Reporting Concerns**

Any person who has a good faith concern regarding the legality or propriety of any action taken by, or contemplated to be taken by, a MCYA Person or otherwise by MCYA, or a good faith belief that action needs to be taken for MCYA to be in compliance with laws, policies or ethical standards, should promptly file a report. Reports can be made orally or in writing, in person or anonymously. To the extent possible, reports should include documentation supporting the concern. Reports should be as detailed as possible in order to facilitate investigation. Reports may be submitted via website form at: [www.musiccityyouth.org/submit-report](http://www.musiccityyouth.org/submit-report).

### **B. Investigation**

MCYA will investigate all reports with care. If as a result of the investigation MCYA discovers a problem, it will take corrective action as it deems necessary.

The Vice President of the MCYA Board of Directors (the “Compliance Officer”) will investigate reports related to business operations, governance and financial concerns. If the Compliance Officer is unresponsive or is the subject of the concern, the person should report the concern to the President of the MCYA Board of Directors. If the President is the subject of the reported concern, the Board of Directors Executive Committee will designate another person to serve as the Compliance Officer with respect to that report.

The following is a non-exhaustive list of the kinds of business, governance, and financial improprieties that should be reported:

- supplying false or misleading information on MCYA’s financial or other public documents, including its tax return (990);
- providing false information to or withholding material information from the MCYA’s auditors or Board of Directors;
- embezzlement, self-dealing, private inurement (i.e., MCYA earnings inuring to the benefit of an individual) and private benefit (i.e., MCYA assets being used for personal gain or benefit);
- violations of the MCYA Conflict of Interest and Disclosure Policy;
- payment for services or goods that are not rendered or delivered; and
- facilitating or concealing any of the above or similar actions.

Designated members of the MCYA Board of Directors’ Participant Protection Committee will investigate reports related to participant safety, harassment, sexual abuse, or other misconduct. The Participant Protection Committee is responsible for the proposal, review and enforcement of policies and procedures related to risk management, conduct, and compliance with prevailing standards for youth development programs.

### **C. Confidentiality**

MCYA will protect the identity of the person reporting a concern to the greatest extent practicable given the needs to conduct a thorough investigation and to take any necessary corrective action. Accordingly, MCYA cannot promise complete confidentiality, but it will act as discreetly as reasonably possible.

### **D. No Retaliation**

MCYA will not intimidate, harass, discharge, threaten, or discriminate or retaliate against a MCYA Person in any manner for his or her reporting in good faith what he or she perceives to be a wrongdoing, violation of law or policy, or other unethical or illegal conduct or for assisting in the investigation of such a report. MCYA will impose disciplinary measures, up to and including termination or removal, against anyone who threatens or retaliates against a MCYA Person who makes such a good faith report or assists in the investigation of same.

**E. Disclosure to and Deliberation by the Executive Committee**

In addition to prompt notification to the Executive Committee following an investigation where a problem is found, the Compliance Officer and Chair of the Participant Protection Committee will report periodically to the Executive Committee with a summary of the reports received pursuant to this Whistleblower Policy and the disposition of those reports. The person who is the subject of the whistleblower complaint may not be present at or participate in any deliberations or vote relating to that complaint, except that, upon request of the Executive Committee, such person may appear at a meeting to present background information or answer questions prior to the start of deliberations and voting.

**F. Distribution**

A copy of this Whistleblower Policy will be distributed to all MCYA Persons and will be posted on the MCYA website. MCYA reserves the right to amend and/or supplement this Whistleblower Policy at any time.

## VII. PUBLIC DISCLOSURE POLICY (ver. 12.31.17)

- A. The following documents will be made available to the public either through the organization's website or upon request:
  - 1. Articles of incorporation and all amendments;
  - 2. Bylaws and all amendments;
  - 3. Conflict of Interest policy.
  
- B. The Form 990s are available on GuideStar. Before being posted on GuideStar, the Form 990 will be made available either upon request and reimbursement of copy costs or by other means allowable under the applicable Treasury Regulations.

The financial statements will not be made available to the public, other than as reported on the annual Form 990. The financial statements are unaudited and are for reporting purposes to the board only. The financial statements represent the current understanding of the financial picture at that snapshot in time, and as such are reviewed by the board of directors. Without an independent audit or review of the financial statements and the information from which they are prepared, the Organization believes that it would be unwise to make them available to the public. The information set forth in the Form 990 has at least received the advice of the Organization's independent accountant in its preparation, and to that extent, is a better picture of the Organization's financial condition than the informal financial statements presented to the board during the year.

## VIII. DOCUMENT RETENTION AND DESTRUCTION POLICY (ver. 12.31.17)

### A. Policy and Purposes

This Policy represents the policy of Music City Youth in the Arts, Inc. (the "Organization") with respect to the retention and destruction of documents and other records, both in hard copy and electronic media (which may merely be referred to as "documents" in this Policy). Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the organization as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained; and (c) guidance for the Board of Directors, officers, staff and other constituencies with respect to their responsibilities concerning document retention and destruction. Notwithstanding the foregoing, the Organization reserves the right to revise or revoke this Policy at any time.

### B. Administration

B.1 Responsibilities of the Administrator. The Organization's Board of Directors, Secretary shall be the administrator ("Administrator") in charge of the administration of this Policy. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The Administrator shall also be responsible for documenting the actions taken to maintain and/or destroy Organization documents and retaining such documentation. The Administrator may also modify the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories as may be appropriate to reflect organizational policies and procedures. The Administrator is also authorized to periodically review this Policy and Policy compliance with legal counsel and to report to the Board of Directors as to compliance. The Administrator may also appoint one or more assistants to assist in carrying out the Administrator's responsibilities, with the Administrator, however, retaining ultimate responsibility for administration of this Policy.

B.2 Responsibilities of Constituencies. This Policy also relates to the responsibilities of board members, employees, staff, volunteers and outsiders with respect to maintaining and documenting the storage and destruction of the Organization's documents. The Administrator shall report to the Board of Directors (the board members acting as a body), which maintains the ultimate direction of management. The Organization's staff shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in implementing it. The responsibility of volunteers with respect to this Policy shall be to produce specifically identified documents upon request of management, if the volunteer still retains such documents. In that regard, after each project in which a volunteer has been involved, or each term which the volunteer has served, it shall be the responsibility of the Administrator to confirm whatever types of documents the volunteer retained and to request any such documents which the Administrator feels will be necessary for retention by the Organization (not by the volunteer). Outsiders may include vendors or other service providers. Depending upon the sensitivity of the documents involved with the particular outsider relationship, the Organization, through the Administrator, shall share this Policy with the outsider, requesting compliance. In particular instances, the Administrator may require that the contract with the outsider specify the particular responsibilities of the outsider with respect to this Policy.

### C. Suspension of Document Destruction; Compliance

The Organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever "knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or in relation to or contemplation of any such matter or case." Therefore, if the Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator



shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with legal counsel. If any board member or staff member becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the Organization, and they are not sure whether the Administrator is aware of it, they shall make the Administrator aware of it. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, it could lead to disciplinary action including possible termination.

**D. Electronic Documents; Document Integrity**

Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, the Administrator shall attempt to establish standards for document integrity, including guidelines for handling electronic files, backup procedures, archiving of documents, and regular checkups of the reliability of the system; provided, that such standards shall only be implemented to the extent that they are reasonably attainable considering the resources and other priorities of the Organization.

**E. Privacy**

It shall be the responsibility of the Administrator, after consultation with counsel, to determine how privacy laws will apply to the Organization's documents from and with respect to employees and other constituencies; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

**F. Emergency Planning**

Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the Organization in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

**G. Document Creation and Generation**

The Administrator shall discuss with staff the ways in which documents are created or generated. With respect to each employee or organizational function, the Administrator shall attempt to determine whether documents are created which can be easily segregated from others, so that, when it comes time to destroy (or retain) those documents, they can be easily culled from the others for disposition. For example, on an employee-by-employee basis, are e-mails and other documents of a significantly non-sensitive nature so that they might be deleted, even in the face of a litigation hold with respect to other, more sensitive, documents? This dialogue may help in achieving a major purpose of the Policy -- to conserve resources -- by identifying document streams in a way that will allow the Policy to routinely provide for destruction of documents. Ideally, the Organization will create and archive documents in a way that can readily identify and destroy documents with similar expirations.

**H. Document Retention Schedule.**

<u>Document Type</u>	<u>Retention Period</u>
<b><i>Accounting and Finance</i></b>	
Accounts Payable	7 years
Accounts Receivable	7 years
Annual Financial Statements and Audit Reports	Permanent
Bank Statements, Reconciliations & Deposit Slips	7 years

Canceled Checks – routine	7 years
Canceled Checks – special, such as loan repayment	Permanent
Credit Card Receipts	3 years
Employee/Business Expense Reports/Documents	7 years
General Ledger	Permanent
Interim Financial Statements	7 years

**Contributions/Gifts/Grants**

Contribution Records	Permanent
Documents Evidencing Terms of Gifts	Permanent
Grant Records	7 years after end of grant period

**Contributions/Gifts/Grants**

Articles of Incorporation and Amendments	Permanent
Bylaws and Amendments	Permanent
Minute Books, including Board & Committee Minutes	Permanent
Annual Reports to Attorney General & Secretary of State	Permanent
Other Corporate Filings	Permanent
IRS Exemption Application (Form 1023 or 1024)	Permanent
IRS Exemption Determination Letter	Permanent
State Exemption Application (if applicable)	Permanent
State Exemption Determination Letter (if applicable)	Permanent
Licenses and Permits	Permanent
Employer Identification (EIN) Designation	Permanent

**Correspondence and Internal Memoranda**

Hard copy correspondence and internal memoranda relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate.

Hard copy correspondence and internal memoranda relating to routine matters with no lasting significance	Two years
Correspondence and internal memoranda important to the organization or having lasting significance	Permanent, subject to review

**Electronic Mail (E-mail) to or from the organization**

Electronic mail (e-mails) relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate, but may be retained in hard copy form with the document to which they relate.

E-mails considered important to the organization or of lasting significance should be printed and stored in a central repository.	Permanent, subject to review
E-mails not included in either of the above categories	12 months

**Electronically Stored Documents**

Electronically stored documents (e.g., in pdf, text or other electronic format) comprising or relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document which they comprise or to which they relate, but may be retained in hard copy form (unless the electronic aspect is of significance).

Electronically stored documents considered important to the organization or of lasting significance should be printed and	Permanent, subject to review
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stored in a central repository (unless the electronic aspect is of significance).	
Electronically stored documents not included in either of the above categories	Two years
<b><i>Employment, Personnel and Pension</i></b>	
Personnel Records	10 years after employment ends
Employee contracts	10 years after termination
Retirement and pension records	Permanent
<b><i>Insurance</i></b>	
Property, D&O, Workers' Compensation and General Liability Insurance Policies	Permanent
Insurance Claims Records	Permanent
<b><i>Legal and Contracts</i></b>	
Contracts, related correspondence and other supporting documentation	10 years after termination
Legal correspondence	Permanent
<b><i>Management and Miscellaneous</i></b>	
Strategic Plans	7 years after expiration
Disaster Recovery Plan	7 years after replacement
Policies and Procedures Manual	Current version with revision history
<b><i>Property - Real, Personal and Intellectual</i></b>	
Property deeds and purchase/sale agreements	Permanent
Property Tax	Permanent
Real Property Leases	Permanent
Personal Property Leases	10 years after termination
Trademarks, Copyrights and Patents	Permanent
<b><i>Tax</i></b>	
Tax exemption documents & correspondence	Permanent
IRS Rulings	Permanent
Annual information returns - federal & state	Permanent
Tax returns	Permanent

## **IX. Gift Acceptance Policy (ver. 12.31.17)**

Music City Youth in the Arts, Inc. (the "Organization") solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. Organization urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to Organization for the benefit of any of its operations, programs or services.

### **A. Use of Legal Counsel**

Organization will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Gifts of securities that are subject to restrictions or buy-sell agreements.
2. Documents naming Organization as trustee or requiring Organization to act in any fiduciary capacity.
3. Gifts requiring Organization to assume financial or other obligations.
4. Transactions with potential conflicts of interest.
5. Gifts of property which may be subject to environmental or other regulatory restrictions.

### **B. Restrictions on Gifts**

Organization will not accept gifts that (a) would result in Organization violating its corporate charter, (b) would result in Organization losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for Organization, or (e) are for purposes outside Organization's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors.

### **C. Gifts Generally Accepted Without Review**

- *Cash.* Cash gifts are acceptable in any form, including by check, money order, credit card, or online. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, and name of the card holder as it appears on the credit card.
- *Marketable Securities.* Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by Organization's Finance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Board of Directors.
- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.* Donors are encouraged to make bequests to Organization under their wills, and to name Organization as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- *Charitable Remainder Trusts.* Organization will accept designation as a remainder beneficiary of charitable remainder trusts.
- *Charitable Lead Trusts.* Organization will accept designation as an income beneficiary of charitable lead trusts.

### **D. Gifts Accepted Subject to Prior Review**

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- **Tangible Personal Property.** The Board of Directors shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: Does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
- **Life Insurance.** Organization will accept gifts of life insurance where Organization is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- **Real Estate.** All gifts of real estate are subject to review by the Board of Directors. Prior to acceptance of any gift of real estate other than a personal residence, Organization shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the Organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include: Is the property useful for the Organization's purposes? Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

## **X. FORM 990 REVIEW POLICY (ver. 12.31.17)**

### **A. Purpose of the Policy**

The purpose of this policy is to create a process for preparation and review of the Form 990 and its distribution to all board members of Music City Youth in the Arts, Inc. (the "Organization") whether before or after filing with the Internal Revenue Service. This process will provide the board members the opportunity to review the Form 990 while also ensuring that annual filing deadlines may be met.

### **B. Procedure for Preparation and Review of Form 990**

The Organization's Treasurer, (elected by Organization's Board of Directors), or their appointed designee is responsible for the timely preparation of the Form 990. The Organization's Treasurer may confer with accountants and legal counsel of the Organization with respect to drafts of the Form 990.

Any questions or concerns will be noted and addressed, and the Treasurer shall ensure that any appropriate changes are incorporated into the Form 990, which then shall be signed by the Treasurer or other authorized officer of the Organization.

### **C. Filing of Form 990**

The Form 990 shall then be filed with the IRS on a timely basis; provided, if management considers it feasible and appropriate under the circumstances, it may distribute the final version of the Form 990 (with required schedules) to every voting member of the organization's Board of Directors prior to filing with the Internal Revenue Service. The final form may be distributed either in paper or electronic form in any manner deemed appropriate by the Organization's Treasurer.

### **D. Distribution of Form 990 to All Members of Governing Body**

A copy of the filed Form 990, if the final version was not circulated prior to filing, shall be circulated to the Board of Directors as promptly as reasonably practical after the filing, and in no case later than its next regular meeting following such filing. For the manner of distribution, see Section III above.

**XI. NON-DISCRIMINATION STATEMENT AND POLICY (ver. 12.31.17)**

Music City Youth in the Arts, Inc. (the "Organization") does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, hiring and firing of employees or staff, selection of members, volunteers and vendors, and provision of services. We are committed to providing an inclusive and welcoming environment for all members of our employees, staff, members, volunteers, subcontractors, vendors, and clients.

Organization is an equal opportunity employer. We will not discriminate and will take affirmative action measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the bases of race, color, gender, national origin, age, religion, creed, disability, veteran's status, sexual orientation, gender identity or gender expression.

## **XII. FUNDRAISING POLICY (ver. 12.31.17)**

The Board of Directors of Music City Youth in the Arts, Inc. (the "Organization") recognizes that the organization engages in fundraising and solicitation activity from time to time. In order to comply with federal, state and local laws, as well as applicable ethical norms regarding fundraising activity, the Board has established this fundraising policy.

### **A. Oversight**

All fundraising activity for the Organization is supervised, coordinated and directed by the Chairman of the Development Committee which is under the direction, supervision and selection of the Board of Directors. The Board shall annually review all fundraising activity by the Organization.

### **B. Use of Fundraising Professionals**

Third parties not directly affiliated with the Organization must have written permission from the Chairman prior to any solicitation on behalf of the Organization. Third party fundraisers engaged by the Organization must be registered with appropriate state and local authorities, and their representation of the Organization must be evidenced by a written agreement approved by the Organization.

### **C. Truth and Accuracy**

1. All solicitation and fundraising materials and other communications to donors and the public shall clearly identify the Organization and be accurate and truthful.
2. The Chairman shall review fundraising or solicitation materials prior to publication for:
  - a. Material omissions or exaggerations of fact, use of misleading photographs, or any other communication which would tend to create a false impression or misunderstanding; and
  - b. Any statements or content that would tend to create unrealistic donor expectations of what the donor's gift will actually accomplish.

### **D. Donor Acknowledgement**

Organization shall provide all donors with specific acknowledgments of charitable contributions, where applicable, in accordance with legal requirements for proper donor substantiation and the Organization's disclosure.

### **E. Supervision and Training**

Organization shall provide appropriate training and supervision of the people soliciting funds on its behalf, whether employees, staff, members, volunteers or third-party representatives, including training to attempt to avoid use of techniques that are coercive, intimidating or intended to harass potential donors.

1. Organization shall attempt to avoid accepting a gift from or entering into a contract with a prospective donor which would knowingly place a hardship on the donor, or place the donor's future well-being in jeopardy.

### **F. Compensation**

Organization shall pay fundraisers no more than reasonable compensation for their services.

### **G. Donor Privacy Policy DONOR PRIVACY POLICY**

Organization respects the privacy of donors.



1. Organization shall not sell or otherwise make available the names and contact information of its donors, except where disclosure is required by law.
2. Organization shall not send mailings soliciting donations on behalf of other organizations.
3. Organization shall provide a clear, prominent and easily accessible privacy policy on its website that tells visitors:
  - a. What information, if any, is being collected about them and how this information will be used;
  - b. How to access personal information collected and request correction;
  - c. How to inform Organization that the visitor does not wish his/her personal information to be shared outside the Organization; and
  - d. What security measures Organization has in place to protect personal information.

#### **H. Compliance with Law**

In addition to any other requirements of this policy, all fundraising activities for Organization shall be conducted in accordance with applicable law.