

## **SCT Board Policies**

### **April 2018**

The IRS Form 990 is the IRS tax form used by tax-exempt organizations to report financial information to the Internal Revenue Service (IRS) of the United States. It is used to report income and calculate taxes owed to the federal government of the United States.

As of 2008, Form 990 contains new sections that ask questions about organizations' governance practices and policies. The Internal Revenue Code has no specific governance requirements, but the IRS believes good governance ensures better compliance with tax laws and more effective safeguarding of assets. To encourage organizations to adopt policies the IRS feels are beneficial, they have required that organizations disclose whether or not they have certain written policies and, in some cases, the organization is asked to describe the policy and how it is enforced. These policies and the specific disclosures required appear in the following Table.

The SCT Board of Directors approved use of templated policies and forms, supplied by its management company, (Fernley & Fernley), and a document retention policy in their July, 2010 in order to ensure compliance with required Form 990 disclosures. The templated policies and forms are appended and include:

- Conflict of Interest Disclosure Statement and Form
- Whistleblower Policy
- Document Retention Policy

## IRS REVISED FORM 990

### Summary of Key Disclosures and Recommended Policies and Practices

Recommended Policy	Questions that IRS might ask in reviewing the form 990	Background and Recommendation
<p><b>Conflict of Interest Policy</b></p>	<p>“Does the organization have a written conflict of interest policy?”</p> <p>“Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?”</p> <p>“Does the organization regularly and consistently monitor and enforce compliance with the policy?”</p> <p><u>(Part VI Section B, Ques. 12a, b, and c)</u></p>	<p>A “conflict of interest” arises when a person in a position of authority over an organization, such as an officer, director, or manager, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.</p> <p>It is recommended that not for profit organizations have board members and officers sign the conflict of interest policy and a statement indicating interests that could give rise to conflicts each year.</p>
<p><b>Whistleblower Policy</b></p>	<p>“Does the organization have a written whistleblower policy?” <u>(Part VI, Section B, Question 13)</u></p>	<p>A whistleblower policy asks volunteers to come forward with credible information of illegal practices/violations of association policies; assures non-retaliation; identifies to whom information can be reported.</p> <p>The organization is not required to utilize a whistleblower hotline or other third-party service. They can simply provide a written process for employees or other stakeholders to voice concerns.</p>
<p><b>Record Retention Policy</b></p>	<p>“Does the organization have a written document retention and destruction policy?” <u>(Part VI, Section B, Question 14)</u></p>	<p>A document retention and destruction policy identifies the record retention responsibilities of staff, volunteers, board members, and outsiders for maintaining and documenting the storage and destruction of the organization’s documents and records. As long as the AMC has a policy that covers the association’s records, the association can answer “yes” to this question.</p>



## **Conflict of Interest Policy**

### **I. Introduction**

This Conflict of Interest Policy (“the Policy”) governs conflicts of interest involving (i) members of the Board of Directors and committees empowered to act on behalf of the Board of Directors of the Society for Clinical Trials (“the Society”), and (ii) senior staff of the Society (collectively, “Interested Persons”).

The purpose of the Policy is to protect the Society’s interests when it is contemplating entering into a transaction or arrangement that might benefit a private interest of an Interested Person. The Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to the Society.

### **II. Definition of a “Conflict of Interest”**

A conflict of interest exists when an Interested Person has a direct or indirect (through business, investment or family) financial or other interest in a matter that might influence, or that might be perceived to influence, the judgment or actions of the Interested Person while serving the Society. Conflicts of interest may arise under numerous scenarios, including but not limited to the following:

- A.** An Interested Person receiving or being considered to receive, directly or indirectly, compensation (e.g. consulting fees, speaking or writing honoraria, etc.) from, or having an actual or potential ownership or investment interest in, an entity offering or proposing to offer products or services to the Society;
- B.** An Interested Person doing business or having a relationship with any entity doing business or wishing to do business with the Society; and
- C.** An Interested Person also serving as an officer or director of another nonprofit organization in the general areas of interest to the Society.

Being employed by or having any other interest in an entity that (i) purchases exhibit space or sponsorships at any Society conference or (ii) purchases advertising or other commonly available services from the Society in the normal course of business does not constitute interest under this Policy.

### **III. Disclosure**

Interested Persons must disclose all conflicts of interest as defined in Section II, above, including those that *might* influence or be *perceived* to influence the actions or decisions of the Interested Person. Therefore, even if one believes that the relationship or other circumstance will not affect one’s judgment or conduct, if it could do so or could reasonably be perceived as having the potential for improper influence, then it must be disclosed. This duty of disclosure extends to bids on or proposal for work solicited by or offered to the Society. Each Interested Person shall complete a Conflict of Interest Disclosure Form annually; such annual disclosures shall be supplemented by additional written disclosures as required by this Policy. Disclosures of potential conflicts of interest by Society volunteers and the Executive Director of the Society shall be made immediately to the Executive Director of the Society, who shall consult with the Executive Committee on the matter, if necessary and appropriate. All Interested Persons shall bring to the attention of the Society any actual or perceived conflict of interest involving any other Interested Person.

#### **IV. Procedure upon a Disclosure**

Upon making a disclosure of a possible conflict of interest, the Interested Person must make all requested information available to the Society's Executive Committee or the Executive Director, as applicable. Possible actions that may be taken by the body or person reviewing the conflict of interest include, but are not limited to:

- Prohibiting consideration of a proposal for providing products or services;
- Permitting consideration of a proposal for providing products or services, but only as one of several completing proposals;
- Determining, after exercising due diligence, whether the proposal related to the Interested Person is the most advantageous transaction or arrangement for the Society and, if so, whether it is fair and reasonable and in the best interest of the Society;
- Requesting all necessary actions to eliminate the conflict of interest,
- Determining that the Interested Person may not participate in discussion or determination of the matter to which the conflict of interest relates, and
- Requesting the resignation of the Interested Person from the position with the Society.

##### **A. Disclosure to the Society's Executive Committee**

Upon receiving a disclosure of a possible conflict of interest concerning a Society volunteer leader or the Executive Director, the Society's Executive Committee shall consider appropriate action and decide whether a hearing is warranted. If a hearing is warranted, the Executive Committee shall provide for the due process rights of the Interested Person. If a vote is taken and the Interested Person is a member of the Executive Committee, that person must recuse and absent himself or herself from the vote. The Executive Committee may decide that the full Board of Directors should take action on the conflict. In addition, the Interested Person may appeal the action of the Executive Committee to the Board of Directors.

##### **B. Disclosure to the Society's Executive Director**

Upon receiving a disclosure of a possible conflict of interest concerning a senior staff member, the Executive Director shall consider appropriate action, which may include referral of the matter to the Executive Committee. Actions taken concerning Society staff members shall be final.

#### **V. Confidentiality**

Except to the extent that disclosure to members of the Executive Committee, the Board of Directors and the Executive Director is found to be necessary, all persons receiving a communication from a member or staff member pursuant to this Policy shall maintain the confidentiality of the contents of the disclosure, as well as any conclusions made as to whether there is a conflict of interest.

#### **VI. Violations of This Policy**

If the Executive Director, the Executive Committee or the Board of Directors has reasonable cause to believe that an Interested Person has failed to make a disclosure required by this Policy, the Interested Person shall be informed of the basis for such belief and shall be afforded an opportunity to explain the alleged failure to disclose. If, after hearing the Interested Person's response and making further investigation warranted by the circumstances, the Executive Director, Executive Committee or Board of Directors determines that the Interested Person has failed to disclose an actual or potential conflict of interest, appropriate disciplinary and corrective action, up to and including removal from Society office or staff position and expulsion from the Society, shall be taken.

## **VII. Records of Proceedings**

Minutes of meetings of the Executive Committee and Board of Directors at which matters involving an actual or alleged conflict of interest under this Policy were discussed shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Committee or Board's decision as to whether a conflict of interest in fact existed, and
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the matters discussed, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection there with.

## **VII. Compensation Committees**

A voting member of any committee (or the Board of Directors), the jurisdiction of which includes compensation matters, who receives compensation from the Society for services, directly or indirectly, is precluded from voting on matters pertaining to that compensation.



**Society for Clinical Trials**  
**CONFLICT OF INTEREST DISCLOSURE STATEMENT AND FORM**

I, the undersigned, acknowledge that, in carrying out my duties as an Interested Person under the Conflict of Interest Policy (“the Policy”) adopted by the Board of Directors of the Society, I am charged with a duty of loyalty to the Society. I acknowledge my responsibility to act in course of my duties as an Interested Person solely in the best interest of the Society, without consideration of the interests of any other person or organization, and to refrain from taking part in any transaction in violation of the Policy.

Pursuant to the Policy, I shall disclose to the appropriate person any potential conflict of interest I may have from time to time, including the identification of (a) the actual or potential receipt, by me or a member of my immediate family, of compensation from any organization offering or proposing to offer products or services to the Society; (b) any actual or potential ownership, investment or other beneficial interest held by me and/or by a member of my immediate family in any organization offering or proposing to offer products or services to the Society; (c) any other relationship between me or a member of my immediate family and any organization offering or proposing to offer products or services to the Society; or (d) my service as an officer or director of another nonprofit organization in the general areas of interest to the Society. I shall also disclose to the appropriate person any transaction with the Society which would result in any benefit to me, my immediate family, or any organization in which I have a financial or other beneficial interest or involvement, and I shall refrain from participation in any action on such matters, except to the extent permitted by the Conflict of Interest Policy.

I. The following organizations, which compensate or desire to compensate me or a member of my immediate family, offer or propose to offer products or services to the Society:

A. Name: \_\_\_\_\_

B. Name: \_\_\_\_\_

II. I have, or a member of my immediate family has, an actual or potential ownership, investment or other interest or involvement in the following organizations, which organizations offer or propose to offer products or services to the Society:

A. Name: \_\_\_\_\_

Interest or Involvement: \_\_\_\_\_

B. Name: \_\_\_\_\_

Interest or Involvement \_\_\_\_\_

**III.** I have an interest in the following potential transactions involving the Society:

A. Name: \_\_\_\_\_

Interest or Involvement: \_\_\_\_\_

B. Name: \_\_\_\_\_

Interest or Involvement \_\_\_\_\_

**IV.** I serve as an officer or director of the following organization, which organizations are engaged in business in the general area of interest to the Society:

A. Name: \_\_\_\_\_

Interest or Involvement: \_\_\_\_\_

B. Name: \_\_\_\_\_

Interest or Involvement \_\_\_\_\_

Upon submission of this Disclosure Statement and Form, I will have disclosed to the best of my knowledge any potential conflict within the scope of the Policy. I assume the duty of promptly submitting a further Disclosure Statement and Form in the event of any changes in or additions to the information disclosed herein.

Date: \_\_\_\_\_ (Signature)

\_\_\_\_\_  
(Type or print name)



## Whistleblower Policy

This Whistleblower Policy of **ASSOCIATION**: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Organization; (2) specifies that the Organization will protect the person from retaliation; and (3) identifies where such information can be reported.

**1. Encouragement of reporting.** The Organization encourages complaints, reports or inquiries about illegal practices or serious violations of the Organization's policies, including illegal or improper conduct by the Organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Organization has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Organization's Executive Committee, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

**2. Protection from retaliation.** The Organization prohibits retaliation by or on behalf of the Organization against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Organization reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

**3. Where to report.** Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the Organization's chief employed executive or President of the Board of Directors; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to the Immediate Past President. The organization will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the Organization may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.



Document Retention Policy

Type of Document	Retention Period	Disposal Method
<b>1. Accounting Records</b>		
• Accounts Payable and Receivable	Seven (7) years	Shred
• Audit Reports	Indefinite	
• Chart of Accounts	Indefinite	
• Depreciation Schedules	Indefinite	
• Expense Records	Seven (7) years	Shred
• Annual Financial Records	Indefinite	
• Fixed Asset Purchases	Indefinite	
• General Ledger	Indefinite	
• Inventory Records	Seven (7) years	Shred
• Loan Payment Schedule	Seven (7) years	Shred
• Purchase Orders (1 copy)	Seven (7) years	Shred
• Sales Records	Seven (7) years	Shred
• Tax Returns	Indefinite	
• Bank Reconciliations	Two (2) Years	Shred
• Bank Statements	Seven (7) years	Shred
• Cancelled or Substitute Checks	Seven (7) years	Shred
• Electronic Payment Records	Seven (7) years	Shred
2. Articles of incorporation, deeds, title documents, bylaws and related correspondence	Indefinite	
3. Business conditions reports (periodic)	Two (2) years	Shred
4. Hotel contracts	Two (2) years after the meeting	Shred
5. Contracts with consultants and clients	Six years after completion	Shred

6. Copyrights, trademark registrations, patents, advertising materials, logos	Indefinite	
7. Correspondence (general)	Thirteen (13) months (except historical – then indefinite)	Shred/Delete
8. Inquiries, literature requests, change of address	Six (6) months	Shred/Delete
9. Insurance policies and contracts	Indefinite	
10. Literature, pamphlets, speeches, brochures and other material	Discretionary, but minimum of 13 months (use good judgment)	Shred/Delete
11. Membership Applications	Indefinite	
12. Membership correspondence	Two (2) years all documents	Shred
13. Minutes of board of directors meetings	Indefinite	
14. Minutes of committee meetings	Six(6) years	Shred/Delete
15. Applications for employment	Three (3) years	Shred
16. Employee files	Seven (7) years after completion	Shred
17. Payroll	Seven (7) years	Shred
18. Surveys (where membership is polled)	Three (3) years after next similar survey	Shred/Delete
19. Surveys (the individual responses received under foregoing surveys and polls)	Three months where membership responses are collated	Shred/Delete
20. Contracts with Management Company	Indefinite	

Approved by SCT Board of Directors 1-09