

**VOLUNTEER SERVICES COUNCIL  
FOR  
AUSTIN STATE HOSPITAL, INC.**

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**POLICIES AND PROCEDURES**

**ADOPTED BY THE BOARD OF DIRECTORS  
EFFECTIVE MAY 16, 2008**

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## 1. DEFINITIONS

- A. **ARTICLES OF INCORPORATION:** The Restated Articles of Incorporation of Volunteer Services Council for Austin State Hospital, Inc. dated September 21, 1995, as now in effect or hereafter restated or amended.
- B. **BYLAWS:** The Nonmember Bylaws of Volunteer Services Council for Austin State Hospital, Inc. as now in effect or hereafter amended.
- C. **DSHS:** Texas Department of State Health Services.
- D. **ASH:** Austin State Hospital.
- E. **MONETARY DONATIONS:** Donations made to the Council by cash, check, money order, or credit card.

## 2. BASIC MISSION AND POLICY STATEMENT

The Council is a nonprofit corporation, as defined by Section 501(c)(3) of the INTERNAL REVENUE CODE. In addition, the Council is a nonmember, nonpartisan, and nonsectarian organization. The Council's purpose is to contribute to the quality of life of patients served by DSHS through ASH. The Council partners with ASH to generate resources on behalf of ASH:

- For the needs of the patients.
- For the enhancement of existing ASH operations.
- For donor, volunteer, and visiting group recognition projects.
- For education projects.
- For new initiatives to improve the quality of life for the patients.

The Council fully cooperates and coordinates its activities with ASH so the individuals served will benefit from the generosity and vitality of the Council's donors and volunteers. The Council values the donors, volunteers, and visiting groups for their efforts to provide goods, services, personal attention, and relationships that enhance and enrich the lives of ASH patients.

The Council solicits, receives, and acknowledges goods, services, and Monetary Donations contributed to the collective benefit of the patients served by ASH. The Council maintains a treasury to provide items and services to ASH, giving full consideration to the various needs and projects recommended by the Superintendent, Director of Community Relations, and staff of ASH. The Council is committed to responsible financial management. The entire Council, including the Board, Directors, Officers, and committees, works in concert to make certain that all financial matters of the Council are addressed with care and integrity and in the best interest of the Council. The Council acts at all times in compliance with state and federal laws and regulations applicable to nonprofit corporations, including the Texas Nonprofit Corporation Law (TEX. BUS. ORGS. CODE ch. 22),

Section 501(c)(3) of the INTERNAL REVENUE CODE, the relevant DSHS rules and policies, the Articles of Incorporation, the Bylaws, and the Memorandum of Understanding.

The policy and procedural guidelines contained herein are designed to:

- Protect the assets and preserve the mission of the Council.
- Ensure the maintenance of accurate records of the Council's financial activities.
- Provide a framework of standards for operations and conduct.
- Ensure compliance with federal, state, and local laws and reporting requirements.
- Ensure compliance with ethical standards, as set forth by the Association of Fundraising Professionals.

The Chair has responsibility for administering these policies and ensuring compliance with the procedures that have been approved by the Board. Exceptions to written policies may only be made with the prior approval of the Executive Committee. Changes or amendments to these policies and procedures may be proposed by any Director or committee and approved by a majority vote of the Board at any time. A complete review of the policies and procedures is conducted by the Board annually.

Every Director and Officer is expected to be familiar with and operate within the parameters of these policies and guidelines.

In case of a conflict between these Policies and Procedures and the Amended Nonmember Bylaws of the Volunteer Services Council for Austin State Hospital, Inc, the Bylaws shall prevail.

*These policies and procedures completely replace and supersede any policies and procedures previously adopted, individually or as a set, by the Council.*

**3. CONFLICT OF INTEREST**

**A. BOARD OF DIRECTORS**

High standards, ethical behavior, personal integrity, and impartiality are inherent in and essential to the good reputation and ultimate success of the Council. In keeping with these norms, Directors, Officers, and committee members must refrain from engaging in any behavior that might be construed as self-dealing or as being inimical to the mission and fundamental objectives of the Council. Examples of such behavior include:

- Serving on boards of organizations that are in direct programmatic competition with the Council.
- Using the equipment or resources of the Council to secure outside personal gain.
- Citing participation in the Council to advance personal or profit-motivated activities.

- Using Council resources for the purpose of participating or intervening in any political campaign on behalf of or in opposition to any candidate for public office (including publishing or distributing statements).
- Devoting any part of the Council’s activities to attempting to influence legislation, by propaganda or otherwise.
- Marketing services or products to the Council on a noncompetitive basis.
- Disclosing to outside parties plans and other information of the Council when such information is not readily available to the public.
- Leveraging involvement with the Council to secure favorable rates, discounts, or other preferential treatment.
- Profiting materially through counseling or other instructional activities predicated on skills and knowledge gained through association with the Council.

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**B. INVESTMENTS**

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All persons responsible for investment decisions, or who are involved in the management of the Council, or who are consulting or providing any advice whatsoever to the Council, must disclose in writing, at the beginning of any discussion or consideration by the Board, any relationships providing material benefit which the person has or may reasonably be expected to have with respect to any investment issue under consideration. The Board may require such persons to remove themselves from the decision-making process. Any persons responsible for investment decisions or involved in the management of the Council must refuse any remuneration, commission, gift, favor, service, or benefit that might reasonably tend to influence them in the discharge of their duties, except as disclosed to the Board in writing and approved in writing by the Board. The intent of this requirement is to eliminate conflicts of interest between Directors and the Council itself. Failure to disclose any material benefit is grounds for immediate removal from the Board. This provision does not preclude the payment of ordinary fees and expenses to the Council’s investment managers and consultants in the course of their services on behalf of the Council.

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**C. REPORTING AND REMEDIAL ACTION**

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The appearance of a conflict of interest does not always evidence an actual conflict. Therefore, all potential conflicts of interest—including membership in or affiliation with other nonprofit or proprietary organizations, business affiliations with possible vendor implications, elected office at any level, and involvement in any other activity that might be construed as being in conflict with the purpose and goals of the Council—shall be presented in writing to the Executive Committee for purposes of review and possible remedial action. Such action may include holding the information on file, informing the Board of the appearance of conflict, or requiring the Director either to cease the activity in question or resign from the Board.

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| <b>4. NONDISCRIMINATION</b> |
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The Council adheres to a policy of nondiscrimination in all facets of its roles and responsibilities. The Council prohibits the exclusion of or discrimination against any person on the basis of race, color,

religion, sex, age, national origin, sexual orientation, disability, disabled veteran status, or Veterans of the Vietnam Era status with respect to admission to, participation in, or receipt of the benefits and services of any of the Council's programs or activities, whether carried out by the Council directly or through a contractor or any other person or entity with whom the Council arranges to carry out its programs and activities. In addition to complying with federal and state equal opportunity laws and regulations, the Council, through its diversity policy, declares harassment based on individual differences inconsistent with the Council's mission, purpose, and goals. In nominating candidates to serve as Directors and Officers, it is the policy of the Council to ensure equal opportunity to all individuals. The Council seeks to ensure by all means at its disposal that prohibited discriminatory conditions are eliminated and that Council policies do not operate to the detriment of any person on protected grounds. This policy is maintained, interpreted, and implemented by the Executive Committee.

## **5. PERSONNEL AND LINE OF AUTHORITY**

The Council has no paid employees, and all personnel serve in a volunteer capacity. The Council has established a system that clearly identifies the individuals who have authority and responsibility for the operation and financial assets of the Council, and that dictates guidelines for handling and controlling the accumulation and disbursement of the Council's assets.

### **A. BOARD OF DIRECTORS**

The Board is responsible for:

- Determining the overall structure of the Council.
- Determining the Council's mission and purpose, reviewing these on an annual basis, and ensuring adherence to the Council's objectives.
- Establishing the Council's policies and procedures, and reviewing them annually.
- Periodically evaluating the Council's accomplishments and methods.
- Candidly and realistically evaluating and addressing the Council's strengths and weaknesses.
- Ensuring effective organizational planning.
- Determining and monitoring the Council's programs and services.
- Ensuring adequate resources.
- Managing resources effectively.
- Enhancing the Council's public image.
- Assessing the Council's performance.

#### **(1) Elected Directors**

Directors are required to discharge their duties honestly, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the Council. In doing so, Directors may rely on information and opinions of Officers of the Council, legal counsel, public

accountants, and other persons as to matters the Director reasonably believes are within that person's professional or expert competence. Directors may also rely upon information and opinions supplied by committees of the Board of which they are not members.

Directors are expected to:

- Exercise loyalty, openness, prudence, and common sense in discharging their duties to the Council.
- Be informed about the Council's services and activities.
- Maintain and regularly check email for Council communications.
- Devote a reasonable amount of time and attention to Council responsibilities.
- Serve actively on one or more committees.
- Attend Board and assigned committee meetings.
- Review and understand the material submitted to them.
- Make reasonable inquiry, as necessary, to obtain sufficient information to fulfill their duties.
- Play an active role in monitoring, problem-solving, and decision-making.
- Be actively and personally involved in raising funds for the Council.
- Be available on reasonable demand to provide advice and counsel and to participate in the Council's efforts to identify, cultivate, and solicit potential donors.

Each Director's personal commitment and influence with others should serve to ensure the growth and success of the Council and thereby augment the quality and reputation of ASH.

## **(2) Recruitment and Orientation**

Directors are volunteers who provide time and services to the Council without compensation from the Council, other than reimbursement for actual expenses. Before placement, a prospective Director must submit a written application to the Board and satisfactorily undergo a criminal history and registry clearance. The Chair is responsible for ensuring that prospective Directors complete this process. The Board reviews the forms and procedures annually.

Prospective Directors can be recruited from ASH supporters, ASH patients, the family and friends of ASH patients, providers of mental health services, community sources (such as educational institutions and service-oriented organizations), and local businesses. The methods and resources for Director recruitment are reviewed by the Board at the end of the Fiscal Year to ensure that an adequate pool of candidates is continuously available to ASH.

Directors and committee members receive training, at the discretion of the Board, geared to their particular roles and responsibilities, including an orientation to the ASH facilities and patients, as well as training on confidentiality, consumer rights, financial literacy, ethical obligations, and relevant opportunities. Orientation and training are designed, coordinated, and scheduled through the Secretary, with the assistance of the Nominating Committee and the ASH Director of Community

Relations. Orientation and training procedures are reviewed by the Board at the end of the Fiscal Year to ensure that the programs are producing active and effective Directors.

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**B. Director QUALIFICATIONS**

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Any person whose name is brought before the Board for possible election to the Board is deemed qualified if the nominee holds the following qualifications:

- A strong belief in the viability and value of publicly supported mental health facilities as a major force in meeting the critical needs of society.
- A corollary belief that ASH is an integral component of the mental health community and a significant asset to the state, the region, and the patients served.
- General concurrence with the mission and objectives of the Council, as developed and articulated by the Board.
- A firm conviction that publicly supported mental health facilities are appropriate objects of personal philanthropy and other forms of private support.
- A willingness to improve the quality of ASH through voluntary participation at a level commensurate with active membership on the Board, personal financial support of the Council at a level commensurate with capacity and interest, and a commitment to work with the Council in securing financial support from others.
- A commitment to attend Board meetings.
- A willingness to read, understand, and follow the Bylaws and Policies and Procedures.
- A commitment to stay informed of Board activities by maintaining and regularly checking email communications.

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| <b>6. INDEMNITY, INSURANCE, AND BONDS</b> |
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**A. INDEMNITY**

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To the full extent and in the manner prescribed or permitted by applicable law, the Council indemnifies all past, present, and future Directors, Officers, governing persons, employees, agents, delegates, and volunteers against all costs, expenses, and liabilities, including judgments, penalties, taxes, fines, settlements, attorneys' fees, and reasonable expenses actually and necessarily incurred by or imposed upon them in connection with or resulting from any approved, legal activity performed in good faith on behalf of the Council. Notwithstanding the foregoing, no reimbursement or indemnity applies to any expense incurred or settlement made in connection with any matter arising out of gross negligence, misconduct, or criminal activity, as determined by a court of competent jurisdiction or, in the absence of such a determination, by the Council, acting on the advice of legal counsel. The Council maintains insurance on behalf of all persons who are or were serving at the request of the Council as a Director, Officer, governing person, employee, agent, delegate, or

volunteer, or in any other capacity, with respect to liability asserted against or incurred by them in such capacity or arising out of such status.

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## **B. INSURANCE**

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The Board maintains liability insurance in accordance with the minimum requirements of the Texas Charitable Immunity and Liability Act (TEX. CIV. PRAC. & REM. CODE § 84.007(g)), as now in effect or hereafter amended. This coverage applies to the acts or omissions of the Council and its volunteers and is in the amount of at least \$500,000 for each person, \$1 million for each single occurrence for death or bodily injury, and \$100,000 for each single occurrence for injury to or destruction of property. Such coverage is provided under a contract of insurance or other plan of insurance authorized by statute and may be satisfied by the purchase of a \$1 million bodily injury and property damage combined single-limit policy.

The Board also maintains appropriate insurance coverage for all assets, and the Board procures special-event insurance when requested or required by the event venues or when, in the Board's discretion, such insurance is deemed appropriate. The Council is not responsible for and does not maintain insurance covering ASH volunteers, since this is a function of ASH.

A review of the adequacy of the insurance coverage is conducted by the Board annually.

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## **C. BONDS**

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The Board purchases and maintains bonds for the Council's Officers and signatory agents, and for the ASH Community Relations staff when those persons are working on behalf of the Council, in the amounts and with the sureties designated by the Board, in the Board's discretion. The Board reviews the adequacy of the bonds annually.

## **7. INVESTMENT AND FUNDING**

The Board has established a written investment policy setting forth the investment objectives of the Council. As chief investment officer, the Treasurer, subject to oversight and approval by the Board, has primary responsibility for administering the investment policy; staying informed of statutory and regulatory requirements concerning Council investments; ensuring compliance with the Texas Public Fund Investment Act and other applicable laws; keeping abreast of economic and market conditions; maintaining a register of investments; and continually reviewing the investment policy.

The Treasurer provides all normal custodial functions, including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, and investment of uninvested cash. The Treasurer provides to the Board monthly reports detailing investment holdings and account transactions, as well as a quarterly report which is submitted to the Board within 21 days following each calendar quarter end, including the following statements:

- Statement of all securities and other assets on hand.

- Statement of all property received, representing contributions to the accounts.
- Statement of all sales, redemptions, and principal payments.
- Statement of all distributions.
- Statement of all expenses paid.
- Statement of all purchases.
- Statement of all income.
- Statement of all property held by the Council.
- Maintenance, repair, and replacement schedule.

The Treasurer may prepare additional accounting reports, as requested by the Executive Committee, the Finance Committee, or the Board.

The Board reviews the investment policy annually to ensure that it is adequately providing for the future while meeting current spending needs.

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**A. FUNDING**

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**(1) Prohibited Use of Council Funds**

The Council may not incur a deficit at any time. Under no circumstance may Council funds be expended on:

- Clinical research.
- Debts not legally owed by the Council or properly approved for payment.
- Loans, including travel advances.
- Entertainment or alcoholic beverages, unless used at a fundraising event.
- Operating programs or contracting for programs on behalf of DSHS.
- Cash awards or salary supplementation for any ASH employee.
- A recognition event, reception, or gift for any ASH employee which is not part of an established award program.
- A recognition event, reception, or gift for any legislator.
- Legislative matters of any kind.
- Political contributions or lobbying efforts, including any item required by statute to be reported as a lobbying cost.
- Other purposes determined by the Board, ASH, or DSHS to be unethical, unlawful, or inappropriate.

**(2) Council Expenses**

The Council pays for postage and printing utilized by the Council (including letterhead stationery and newsletters); liability insurance; insurance coverage for Council assets; special-event insurance when applicable; recognition events for volunteers, donors, and visiting groups; bonds for the Council's

Officers and signatory agents and the ASH Community Relations staff; and other reasonable and necessary expenses of the Council, including economical travel costs approved by the Board. Receipts must be submitted within 30 days to the Chair for approval, using the standard reimbursement form. Purchases are linked to an existing budget category by the person requesting reimbursement.

### **(3) ASH Projects**

#### **a. Evaluation Criteria**

The Finance Committee reviews requests from ASH. The Finance Committee and other designated committees may design and recommend projects on their own initiative, in consultation with the ASH Superintendent and ASH Director of Community Relations, and may solicit proposals from ASH. The Finance Committee identifies priorities for funding ASH projects based on the Memorandum of Understanding, with a view to providing the best overall value to the Council and ASH patients. The criteria for evaluating potential projects include:

- Program quality, as determined by the ASH Superintendent.
- Cost.
- Available financial resources of the Council.
- Other ASH needs and proposals.
- Capacity for improving services to unserved or underserved areas or groups of individuals.
- Long-term viability.
- Past performance of similar projects.

The Finance Committee may solicit the assistance of professionals and public citizens in evaluating proposals. The Finance Committee may suggest changes in a project proposal to address concerns and weaknesses noted in the review process or to assure compatibility with the mission of the Council and the needs of ASH. The Finance Committee compiles and submits to the Board a recommended priority-ranked list of projects for possible funding.

#### **b. Board Approval**

The Finance Committee's prioritized list of recommended projects is reviewed by the Board for final approval. A Director may not participate in the evaluation or approval process for a proposal on which there is, or appears to be, a conflict of interest. The Board may negotiate the final terms for funding or enacting a project. To receive funding, the ASH Superintendent must approve any additional or special terms or conditions identified by the Board, which must be documented in writing. Funding approvals must contain appropriate provisions for program and fiscal monitoring and for the collection and submission of analysis data and related reports. The Board may provide technical assistance and support on approved projects, as the Board deems necessary.

**c. Project Monitoring**

The Executive Committee or other designated committees may obtain risk assessments, monitor project accomplishments, perform on-site evaluations, and report to the Board on the status of funded projects. At the discretion of the Executive Committee, a project-specific independent audit or independent review by a qualified professional may be procured. Such monitoring strategies are overseen by the Finance Committee, which reports to the Board on the findings of each independent audit or review and the status of corrective actions required. The Board may, upon the recommendation of the Executive Committee, Finance Committee, or other designated committee, withdraw funding if a project is found to be problematic or ineffective.

**d. Continuation and Supplemental Funding**

Projects may be eligible for continuation funding. However, such funding is not automatic, and continuation requests go through the same approval process as original requests. A request to increase the authorized funding amount, length of the project, or scope of work must also undergo the same review, and justification for the change must be submitted. Consideration for such funding includes an examination of the project's accomplishments, progress toward the stated goals and objectives, financial management, compliance with reporting requirements, audits, findings from on-site evaluations, and prospects for alternative funding. Revisions to the plans for a project in progress, including performance measures, staffing patterns, and budget, are submitted to the Executive Committee for approval, so long as the changes are within the total budget and general scope of work approved by the Board.

**e. Authority of ASH Director of Community Relations**

The ASH Director of Community Relations is authorized to make expenditures up to \$300 on behalf of the Council for the benefit of ASH patients, and such check requests may be submitted directly to the Treasurer for disbursement.

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**B. AFFILIATED TRANSACTIONS**

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No contract or transaction between the Council and one or more of the Council's Directors or Officers, or between the Council and any corporation, partnership, association, or organization in which one or more of the Council's Directors or Officers are directors or officers or have a financial interest, is void or voidable solely for this reason if:

- The material facts concerning the financial interests are disclosed to or known by the Board or the appropriate committee, and the Board or committee authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors or committee members present; and
- The contract or transaction is fair to the Council at the time of approval.

Retroactive approval of a contract or transaction is permissible.

## **8. FINANCIAL CONTROLS, OPERATING PROCEDURES, AND REPORTS**

The Council functions as the legal conduit for the acceptance, investment, management, and distribution of private gifts given for the funding of activities and programs related directly to the mission, role, and scope of the Council. The Council may accept, acquire, hold, encumber, and transfer interests in Monetary Donations, real and personal property, and gifts in kind, and the Council may be the beneficiary of trusts, contracts, life insurance policies, and wills. The Council may not hold monies on behalf of ASH employees. The Council is authorized to assert and defend claims in its name. Gifts which are accepted are administered according to the stipulations of the donors. Unrestricted gifts are distributed to ASH upon the approval of the Board. The United States Internal Revenue Service has ruled that gifts to the Council are deductible for federal income tax purposes (subject to statutory limitations) and for federal estate and gift tax purposes. The Council is a tax-exempt entity under Section 501(c)(3) of the INTERNAL REVENUE CODE. The Council acts as a fiduciary on behalf of donors and the ASH projects and activities funded by the Council. Subject to the Memorandum of Understanding, the Council is separate from and independent of ASH and DSHS.

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### **A. ASH COMMUNITY RELATIONS STAFF**

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#### **(1) Responsibilities**

The ASH Community Relations staff is responsible for the initial processing of Monetary Donations and invoices, and may also provide bookkeeping support. The ASH Community Relations staff member logs the Monetary Donation in the presence of a witness, who must be an authorized ASH employee associated with the Community Relations department, and then issues a receipt comporting with the guidelines of the Internal Revenue Service and DSHS. The witness must sign the log and the receipt. All Monetary Donations are recorded on prenumbered duplicate receipts. The ASH Community Relations staff, issues a written acknowledgment for each donation of any kind within 10 days of receipt, and the Chair or ASH Director of Community Relations signs the letters to donors of \$50 or more.

#### **(2) Monetary Donations**

Monetary Donations are recorded by the ASH Community Relations staff and witnessed by an authorized ASH employee affiliated with the Community Relations department. All checks are restrictively endorsed (“for deposit only”) immediately upon receipt and recorded in the cash receipts register, listing the date received, payor, check number, and amount received, and the register is signed by the witness. The ASH Community Relations staff member makes two copies of each Monetary Donation (one for deposit-file documentation, and one for source-file documentation) and places the Monetary Donation in the ASH Community Relations safe. At least once each week, based on need, the ASH Community Relations staff delivers all Monetary Donations received, along with the copies, to the Treasurer.

**(3) Invoices**

All invoices are stamped by the ASH Community Relations staff with the date received. Two copies of each invoice are made, and both the invoice originals and the copies are delivered to the Treasurer at least monthly.

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**B. TREASURER**

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**(1) Responsibilities**

The Treasurer functions as the accountant, with primary responsibility for designing and maintaining the accounting system. The Treasurer may request bookkeeping assistance from the ASH Community Relations staff. A proper filing system is maintained by the Treasurer for all financial records. Documents on securities and fixed assets are kept in a locked, fire-proof vault maintained by the Treasurer. The Treasurer maintains inventory records containing descriptions, serial numbers, dates of purchase or receipt, valuations, and dates of valuation for all securities and fixed assets. Monthly reports are made by the Treasurer to the Chair, covering, at a minimum, receipts, disbursements, receivables, and payables.

**(2) Monetary Donations**

The Treasurer is responsible for preparing the documentation on Monetary Donations for deposit and for making bank deposits at least weekly, as needed. Copies of all Monetary Donations are maintained by the Treasurer, who prepares the detailed cash listing to be posted to the general ledger (amount, date received, account number, etc.). This listing is compared to the cash journal by the Treasurer, to ensure that the postings equal the amounts deposited. A copy of the deposit slip and the deposit receipt from the bank are compared and attached to the corresponding Monetary Donation copies and cash listing. The Treasurer codes all Monetary Donations according to the chart of accounts and compares the bank deposit receipt with the relevant logs of Monetary Donations maintained by the ASH Director of Community Relations, to ensure that all Monetary Donations are deposited in the bank. The bookkeeper prepares a deposit summary sheet, attaching one copy of each Monetary Donation, deposit slip, and bank deposit confirmation slip. An authorized representative of the Board reviews the deposit summary sheet. The second copy of the Monetary Donation is filed by type of revenue. The Treasurer prepares the cash receipts journal on at least a monthly basis, using the cash receipts summary sheet, and posts the cash receipts journal to the general ledger on a timely basis. Excess Monetary Donations are kept in an interest-bearing account, in accordance with the Council's investment policy.

**(3) Accounts Receivable**

The Treasurer maintains an accounts receivable ledger, as necessary, in a locked file cabinet. On a monthly basis, the Treasurer posts the accounts receivable ledger to the general ledger, reconciles the accounts receivable ledger with the general ledger, prepares a status report on outstanding receivables, if any, and submits the report to the Chair and the Board at the regular Board meeting.

#### **(4) Disbursements**

All disbursements are made by check, and the use of petty cash is prohibited. Prenumbered checks are prepared by the bookkeeper and signed by authorized Directors, only after the Chair has approved a check request or invoice, or when the expenditure has been preapproved in the budget. Notwithstanding the foregoing, the ASH Director of Community Relations is authorized to make individual expenditures up to \$300 without the approval of the Chair, but no more than \$600 in the aggregate per calendar month, and may submit a check request directly to the Treasurer for disbursement. The unsigned check and supporting documentation are presented to authorized check-signers for review and signature. The Treasurer is responsible for obtaining two signatures on checks over \$500. After a check is signed, the Treasurer marks the check request or invoice “paid,” noting the check number and date. The check requests are filed by account number and then by date.. All voided checks must be defaced and retained either on the check stub or with canceled checks. No checks may be written to “bearer” or to “cash” without substantiated documentation. Blank checks are stored in a locked receptacle and may never be signed in advance.

##### **a. Check Requests**

Prenumbered check requests for expenditures are submitted to the Chair for review and approved by the Chair before a check is prepared, except that the ASH Director of Community Relations may make individual expenditures up to \$300 without Chair approval, so long as such expenditures do not exceed \$600 in the aggregate in a calendar month.

##### **b. Invoices**

Under the supervision of the Treasurer, the Council’s bookkeeper records all invoices in the accounts payable ledger immediately upon receipt and places a copy of each invoice in the unpaid open invoice file. The original invoices for unbudgeted sums are submitted to the Chair for review and approval. Once an invoice has been paid, the payment is immediately recorded in the accounts payable ledger by the Treasurer. The accounts payable ledger is reconciled with the general ledger by the Treasurer on a monthly basis.

##### **c. Salaries, Dividends, Loans, and Disallowed Payments**

The Council does not and shall not pay salaries or wages, in accordance with the Bylaws. The payment of dividends or the distribution of any part of the income of the Council to Directors, Officers, committee members, or ASH employees is prohibited. However, upon Board approval, the Council may engage independent contractors to perform services that cannot be accomplished by Directors or committee members, and the Council may pay reasonable fees for the services rendered by such independent contractors. The Council may not provide loans under any circumstances. Any payment made to a Director or Officer for an expense which is disallowed in whole or in part as a deductible expense by the Internal Revenue Service must be reimbursed by the Director or Officer to the full extent of the disallowance. Disbursements are limited to available funds after income and fees are processed, and deficit spending is not allowed.

**(5) Account Reconciliations**

All checks are accounted for monthly. The Treasurer maintains a record of all bank transactions, listing in a separate check register for each account, at the time the transaction occurs, each check issued and each deposit. The check registers should always show the up-to-the-minute balance in each bank account. On a monthly basis, the Treasurer reconciles the bank statements to the check registers and notifies the Chair of any discrepancies. Upon the resolution of a discrepancy and approval by the Chair, the Treasurer adjusts the check register as needed. The Treasurer reconciles the check registers to the general ledger cash accounts on a monthly basis. The Treasurer prepares the cash disbursements journal on a timely basis, using the check file, and posts the cash disbursements journal to the general ledger on a timely basis, using the cash disbursements journal.

**(6) Computer System**

The Council utilizes three software programs for volunteer management, donor logs, and accounting purposes: Volgistics, Paradigm, and QuickBooks. The Treasurer is responsible for recording the financial data in the QuickBooks system for the purpose of generating financial reports. Batch totals are calculated prior to input and compared to batch totals calculated by the system. Any errors made in recording the information are then corrected. Detailed printouts of cash receipts and cash disbursements are obtained. The Treasurer is responsible for comparing the detailed printouts to source documents for accuracy. All subsidiary account balances are reconciled to the control accounts monthly. A trial balance on the general ledger totals is obtained and compared to detailed reports for accuracy of balances.

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**C. CHAIR**

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**(1) Responsibilities**

The Chair has primary responsibility for overseeing the Treasurer's work, ensuring that proper financial management procedures are maintained, and making certain that the policies of the Board are enacted. Detailed financial reports are provided by the Chair to the Executive Committee monthly, including explanations for any budget variances of 10% or more. The Chair provides quarterly financial reports to the Board, including a comparison of the budget with actual income and expenditures. Standard journal entries are reviewed by the Chair for reasonableness and approved for posting to the general ledger. Journal entries are prenumbered and accounted for monthly. Checks up to \$500 may be signed by the Chair alone. The Chair signs off on financial statements, ensuring that they are accurate and complete. The Chair also reviews and approves the Council's tax returns before they are filed, to ensure that they are accurate, complete, and timely filed.

**(2) Authority**

The Chair has (a) expenditure approval up to the parameters set by the annual operating budget, as approved by the Board, and (b) single-signature authority up to \$500, with the exception of the Chair's personal expense reimbursement items, which must be approved by a Director having check-signing authority. The deliberate splitting of vouchers or invoices for the sole purpose or effect of meeting the parameters of this authority is expressly prohibited. Any check for an amount over \$500 requires a second signature.

**(3) Disbursements**

Expenditure requests and invoices must be submitted in writing and approved within the specified authority by the Chair. Prenumbered check requests are used, and sequences are accounted for monthly. Approved check requests and invoices are submitted to the Treasurer promptly upon approval. The check-signers review all checks and the supporting documentation prior to signing the checks. No more than one week should elapse between the time a check request or invoice is submitted to the Treasurer and the time the disbursement is made, if appropriate.

**(4) Account Reconciliations**

Upon notification by the Treasurer of a discrepancy in reconciling bank accounts, the Chair investigates and resolves the discrepancy, with the assistance of the Treasurer and the bank, if necessary. The Chair reports the results to the Treasurer.

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**D. FINANCE COMMITTEE**

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The Finance Committee engages an independent Certified Public Account to perform an audit of the Council's finances within 60 days after the close of each Fiscal Year, sets the auditor's compensation, and oversees the auditor's work. The Finance Committee is responsible for the following duties:

- Ensuring that the auditor is competent, qualified to conduct an audit, and not providing other services to the Council.
- Obtaining from the auditor an assessment of the critical accounting policies and practices used within the Council.
- Reviewing the auditor's performance.
- Meeting with the auditor and reviewing the audit.
- Recommending to the Board approval or modification of the audit.
- Ensuring that the lead and reviewing partner of the auditor rotate off the audit at least every five years.
- Arranging financial literacy training for new Directors.
- Establishing internal controls to detect and deter fraudulent activity, dishonesty, gross negligence, misconduct, and criminal behavior.
- Designing a complaint process for accounting issues.

- Evaluating and formulating Council policies regarding annual audits, periodic reviews of the financial records by an independent accountant, and compilation of the financial statements.
- Delivering to the ASH Director of Community Relations and the DSHS Center for Consumer and External Affairs a copy of the annual audit report.

In addition, the Finance Committee oversees project-specific independent audits and reviews by qualified professionals. The Finance Committee also compiles output indicators to assist the Board in evaluating the cost-effectiveness of the Council’s activities, as well as outcome indicators to assist the Board in assessing the impact and level of success of the Council’s programs. Further, in the event the Council is audited by the Internal Revenue Service, the Finance Committee is responsible for responding appropriately. The Finance Committee reports to the Board, the ASH Director of Community Relations, and the DSHS Center for Consumer and External Affairs on the findings of such investigations.

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**E. EXECUTIVE COMMITTEE**

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The Executive Committee provides fiscal oversight in safeguarding the assets of the Council. The prices for goods sold by the Council are established and approved by or at the direction of the Executive Committee. Nonstandard journal entries must be reviewed by the Executive Committee. The Executive Committee has primary responsibility for ensuring that current and accurate financial records are maintained, with complete entries for all financial transactions, in accordance with generally accepted accounting principles, and that all internal and external financial reports fairly present the financial condition of the Council. The Executive Committee ensures that the Council’s annual financial report is prepared, approved, and filed with the Texas Secretary of State no later than the 89<sup>th</sup> day after the last day of the Fiscal Year, and that all other legally required reports are timely prepared and submitted. The Executive Committee is also charged with ensuring the Council’s compliance with the requirements of the INTERNAL REVENUE CODE, including the timely submission of Form 990, Return of Organization Exempt From Income Tax, which must be filed annually with the Internal Revenue Service by the 15<sup>th</sup> day of the fifth month following the close of the Fiscal Year.

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**F. BOARD**

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**(1) Budgets and Audits**

The Board makes available to DSHS for review and approval all donations of real property made to ASH by the Council and all improvements to real property. The Board establishes the Council budget annually, performs semi-annual budget reviews, and makes adjustments as necessary. After receiving the recommendation of the Finance Committee regarding the annual independent audit, the Board meets with the auditor, reviews the audit, and formally approves or rejects the audit. In addition, the Board provides a copy of the audit report annually to the ASH Director of Community Relations and to the DSHS Center for Consumer and External Affairs. In the event the Council is audited by the Internal Revenue Service, the Board ensures that the ASH Director of Community Relations and DSHS Center for Consumer and External Affairs are kept apprised of developments.

## (2) Financial Reports and Tax Returns

The Board reviews and approves the Council's financial statements and tax filings. The Board annually prepares a financial report based upon the Council's financial position, activities, and cash-flow statements, which conforms to the accounting standards promulgated by the American Institute of Certified Public Accountants and includes a statement of support, revenue and expenses; a statement of changes in fund balances; a statement of functional expenses; and a balance sheet for each fund. This report is filed with the Texas Secretary of State within 89 days after the end of the Fiscal Year. In addition, Internal Revenue Service Form 990, which is based on this report, is filed by the 15<sup>th</sup> day of the fifth month following the close of the Fiscal Year. The Board provides a mechanism for furnishing donors, public officials, the media, and others with an accurate picture of the financial condition of the Council and making financial statements accessible for review. In addition, the Board regularly submits to DSHS the required reports and otherwise ensures compliance with the TEXAS ADMINISTRATIVE CODE, including:

- Quarterly reports pertaining to Council donations – both Monetary Donations and in-kind contributions.
- Annual reports on revisions to the Council's Articles of Incorporation, Bylaws, registered agent, and investment policy, including copies of the relevant documents.
- Annual executed Memorandum of Understanding.
- Annual signed Internal Revenue Service Form 990, as filed.
- Annual certified independent audit that complies with generally accepted accounting standards.
- Annual Treasurer's report.
- Annual report on training for volunteers, Directors, and Officers.
- Annual list of the names, addresses, offices, and terms of the current Officers.
- Annual documentation of bonds for the Council's Officers and signatory agents and the ASH Community Relations staff.
- Evidence of adoption of an annual budget.
- Evidence of special-event insurance, if purchased.

Forms, guidelines, and additional information can be obtained from:

Consumer Affairs  
Texas Department of State Health Services  
Mail Code 1912  
1100 West 49<sup>th</sup> Street  
Austin, Texas 78756-3199

**Failure to maintain financial records, prepare or approve the annual financial report, or make such records and reports available to the public is a Class B misdemeanor.**

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**G. CHECK-SIGNING AUTHORITY**

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Checks may be signed by the Chair, Vice Chair, or Secretary. Two signatures are required on all Council checks over \$500. The Chair's personal expense checks require two signatures, regardless of the amount. Under no circumstance is any ASH employee authorized to sign a Council check.

**9. BUSINESS RECORDS RETENTION**

The Chair is responsible for ensuring that the Council's financial, corporate, tax, and personnel records (including written and electronic documents) are properly maintained, adequately protected, stored in accordance with legal requirements and standard business practices, and, where appropriate, periodically destroyed. The Council's records are kept at the Council's principal office and are available for inspection and copying during regular business hours. The Council may charge a reasonable fee for copying.

**Notwithstanding the guidelines set out herein, if an investigation of any kind is underway or anticipated, all documents must be preserved, and the regular purging must cease during or prior to the investigation.**

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**A. THREE YEARS**

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The following records of the Council must be retained for a minimum period of three years:

**(1) Financial Records**

- Budgets.
- Bank statements and reconciliations.
- Deposit slip duplicates and deposit receipts.
- Internal audit reports.

**(2) Corporate Records**

- General (nonlegal) correspondence.

**(3) Personnel Records**

- Personal data.
- Expense records.
- Travel records.

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**B. SEVEN YEARS**

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The following records of the Council must be retained for a minimum period of seven years:

(1) **Financial Records**

- Accounts payable records.
- Invoices.
- Check requests.
- Canceled checks.
- Expense analysis and distribution schedules.
- Accounts receivable records.
- Copies of Monetary Donations.
- Journals and cash books.

(2) **Corporate Records**

- Contracts (after expiration).
- Leases (after expiration).
- Insurance policies (after expiration).
- Office equipment records.
- Inventories.

(3) **Personnel Records**

- Training manuals.
- Policies and Procedures.

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**C. PERMANENT**

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The following records of the Council must be retained permanently:

(1) **Financial Records**

- Check registers.
- General ledgers.
- Fixed-asset records.
- Profit-and-loss records.
- Financial statements.
- External audit reports.

(2) **Corporate Records**

- Legal correspondence.

- Minutes.
- Annual reports.
- Bonds.
- Licenses.
- Copyright records.
- Trademark records.
- Patent records.
- Property records.
- Merger, acquisition, and dissolution records.
- Litigation records.

**(3) Tax Records**

- Depreciation schedules.
- Tax returns and work papers.
- Tax bills and statements.

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| <b>10. VOLUNTEER INITIATIVES</b> |
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It is the goal of the Council to expand and enhance volunteer recruitment and recognition, in order to meet the needs of the Council and ASH, based on observations of volunteer involvement, ASH staff input and requests, collaboration with the ASH Superintendent and ASH Director of Community Relations, ASH functions and services, community interest and resources, and the provisions of the TEXAS ADMINISTRATIVE CODE.

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| <b>A. FUNDRAISING</b> |
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The Board approves, manages, and promotes fundraising activities to further the Council’s mission, in accordance with the Articles of Incorporation, Bylaws, Memorandum of Understanding, DSHS fundraising policy, INTERNAL REVENUE CODE, and applicable laws and regulations. All fundraising activities must be approved in advance, in writing, by the ASH Superintendent and ASH Director of Community Relations. The Council may not maintain funds from activities not sponsored by the Council. The Council may not raise funds during religious events, solicit support for ASH employee activities, or interfere with ASH work, services, production, or discipline. The ASH Community Relations staff members are the only ASH employees authorized to solicit donations on behalf of ASH, unless the ASH Superintendent or ASH Director of Community Relations has provided written approval for other ASH staff to do so. The Council’s fundraising activities employ accepted rules of ethical fundraising and are appropriate to the Council’s purpose. All proceeds, less legitimate expenses, are used for the benefit and needs of ASH patients, to enhance existing ASH operations, for education projects, for new initiatives to improve the quality of life for ASH patients, and for donor, volunteer, and visiting group recognition projects. Notices of approved fundraising activities may be posted in common areas of ASH, in accordance with ASH policies, but may not be produced using DSHS equipment or resources without DSHS approval.

**(1) ASH Superintendent**

All fundraising projects require the written consent, approval, and support of the ASH Superintendent. The Board works with the ASH Superintendent to ensure that fundraising activities are compatible with the mission, vision, and goals of ASH and DSHS.

**(2) ASH Director of Community Relations**

The ASH Director of Community Relations approves in writing all Council fundraising activities and has primary responsibility for fundraising activities on behalf of the Council. The ASH Director of Community Relations maintains active membership in the Association of Fundraising Professionals and subscribes at all times to the code of ethics for professional fundraisers established by this organization. In association with the Fundraising Committee, the ASH Director of Community Relations coordinates fundraising assistance, clerical and administrative services, volunteer training, volunteer insurance procurement, volunteer participation, fundraising activities, donation processing, and office-space needs. The ASH Director of Community Relations is responsible for overseeing the handling of cash transactions by volunteers at fundraising events. A volunteer must receive a cash box directly from and return the cash box directly to an ASH Community Relations staff member, who must reconcile the cash box before handing it off to a volunteer and upon accepting its return from a volunteer. At no time should more than one volunteer handle a cash box at any given time, nor may a volunteer transfer a cash box directly to another volunteer or to anyone other than an ASH Community Relations staff member.

**(3) Fundraising Committee**

The Fundraising Committee works with the ASH Superintendent and ASH Director of Community Relations to formulate, design, and carry out fundraising activities according to priorities established by the Board. All proposed fundraisers must be preliminarily approved by the ASH Superintendent, ASH Director of Community Relations, and Fundraising Committee before presentation to the Board for final approval. The Fundraising Committee develops sources of funding through grants, endowments, and charitable trusts; recommends investment strategies for Council funds; develops programs to raise money for the Council; applies for annual revenue-sharing funds from county governments within the 37-county service area for ASH; builds strategic alliances with organizations, businesses, and foundations that share the goal of improving the quality of life for ASH patients; assists the Board in raising funds which exceed budgetary commitments; increases opportunities for citizen involvement throughout ASH departments; and participates in the annual State Employee Charity Campaign.

**(4) Finance Committee**

The Finance Committee works with the Fundraising Committee in investigating and pursuing grant opportunities, subject to the approval of the Board.

**(5) Board**

All fundraising proposals must be submitted to the Board for final approval before being put into effect. Upon completion, the Board evaluates each fundraising effort.

**(6) Gifts**

The ASH Community Relations staff, in the presence of an authorized ASH employee not associated with the ASH Community Relations department, initially processes gifts to the Council, logs donations, and issues receipts that comply with the guidelines of the Internal Revenue Service. The ASH Community Relations staff tracks pledges to the Council, as well. All charitable contributions, including Monetary Donations, gifts in kind, property, and services, are acknowledged in writing by the Secretary, in coordination with the ASH Community Relations staff, within 10 days of receipt. The Chair or the ASH Director of Community Relations must sign the letter of acknowledgment to any contributor of \$50 or more. The Board reserves the right to refuse all or any part of a gift that does not serve to further the mission of the Council, or for any other reason determined by the Board. Under no circumstances is the Board bound to share with any donor the Board's investment decisions or use of any specific asset given as a gift. All gifts made directly to the Council remain the property of the Council until they are donated to and accepted by ASH, sold, or discarded if appropriate. No gift made directly to the Council may be held in the name of ASH or DSHS. All gifts made directly to ASH or DSHS must be processed by ASH or DSHS in accordance with their policies. The naming of any gift, memorial, or donated item is subject to the approval of the Commissioner of DSHS.

**a. Monetary Donations**

Monetary Donations may be made to the Council at any time and are accepted as outright contributions. Payments of dividends from privately held insurance policies, shares of stock, securities, or other income-producing assets held in the name of the donor are treated similarly.

**b. Tangible Personal Property**

If the gift is an item of tangible personal property, the donor is required to obtain and supply to the Council a qualified appraisal of the item in order to receive a receipt showing a value for purposes of a charitable tax deduction. The cost of the appraisal is borne by the donor, unless the cost is specifically authorized by the Board to be borne by the Council. The ASH Community Relations Director may estimate a donation's value, for office purposes only, based on fair market value, if the donor does not place a value on the donation. Tangible personal property received by the Council as a gift must be reported to the Internal Revenue Service in accordance with special rules, and donors should be made aware of the unique tax consequences before any such gift is accepted. Each donor is encouraged to seek appropriate professional advice and counsel about any gift made to the Council. The Council does not supply professional counsel or advice to donors about tax liability, estate planning, or comprehensive investment planning. All gifts made to the Council are held or liquidated based upon the decision of the Board. The Board converts gifts into manageable, income-producing assets as soon as practical. Gifts may be liquidated by the Board, at the sole discretion of

the Board. The Board reserves complete control of all decisions about the liquidation of any asset given to the Council. Under conditions determined by the Board, discussion with a donor of possible uses or liquidation strategies for a gift asset may be advisable. The Board may choose to use a broker to liquidate assets but is not limited to the use of any particular broker for this purpose.

**c. Securities**

Publicly traded stocks and bonds with current marketable value may be accepted by the Council at any time. Valuation of the gift is the average of the high and low trade prices of the security on the day it is irrevocably transferred to the Council. Commission and sales costs are paid from the proceeds of the sale of the security.

**d. Real Property**

Unrestricted gifts of undivided interests in real estate are acceptable only after a thorough review of the legal description, donor's warranty deed, title policy or abstract, mineral status, site characteristics, improvements, property tax records, easements, zoning, principal use, operational history, environmental assessment, asbestos inspection, and qualified appraisal, and only if the following determinations are made:

- There are no outstanding liens or indebtedness against the real estate.
- No portion of the property is in a flood plain.
- The previous years' taxes and the prorated estimated taxes for the current year are paid.
- There are no leases affecting the property.
- The property has never been used in the production, storage, or disposal of toxic material, and there is no reasonable possibility of hazardous exposure or toxic-waste contamination.
- The Council will not act as an operator for oil and gas wells.

Potential donations of real property are analyzed by the Board, in consultation with legal counsel, on the basis of the foregoing criteria, past and potential giving of the donor, purpose of the gift, appraised value, and current market for that type of property. DSHS has the right to review and approve all Council donations of real property and any permanent improvements to existing real property that may be donated to ASH by the Council. Any real property accepted by the Council that is not delivered to ASH is listed for sale. Such property is inspected by the Board at least annually to evaluate its current condition and review the market approach with the real estate company listing the property, until the property is sold.

**e. Chair's Duties**

The Chair, or another individual designated by the Board, manages the Council's gift-planning and acceptance policies and aids donors in planning and making gifts. Special procedures apply to

different types of stock gifts, and the Chair supplies assistance and instructions regarding any gift of securities. The Chair oversees record-keeping, seeing to it that all mandated state and federal tax filings occur, prepares and presents regular reports to the Board, and ensures the preparation of gift acknowledgment and donor-recognition materials in conjunction with the ASH Director of Community Relations. At the direction of the Board, the Chair also takes the steps necessary to promote donations and contributions to the Council, cultivates and educates potential contributors, and secures major gifts in accord with the Council's policies.

(7) **Raffles**

Under the Charitable Raffle Enabling Act (TEX. OCC. CODE ch. 2002), the Council may hold raffles twice in a calendar year, one at a time (with no overlapping). All proceeds are used for the charitable purposes of the Council. The Council may not use paid advertising to promote a raffle through a medium of mass communication, including television, radio, or newspapers, and the Council may not promote or advertise a raffle statewide or sell or offer to sell raffle tickets statewide. The Council may not compensate a person for organizing or conducting a raffle, or for selling or offering to sell tickets. Only volunteers authorized by the Council may sell or offer to sell tickets. Each ticket must include the Council's name and address, the ticket price, a description of each prize valued in excess of \$10, and the date on which the prizes will be awarded. If the Council cannot award prizes by the date set or within 30 days thereafter, the Council must refund or offer to refund the ticket price. Money may not be offered or awarded as a prize. If the Council purchases or provides any consideration for a prize, that prize may not have a value in excess of \$50,000, and the Council must own and possess the prize before promoting or selling raffle tickets for it. The Council may not conduct "reverse raffles" through which tickets are sold by auction for a price other than the price printed on the ticket, tickets are resold for an amount greater than the original purchase price, or additional tickets are sold after the drawing has begun.

**Raffles are prohibited if an entity devotes a substantial part of its activities to attempting to influence legislation, or participates or intervenes in any political campaign on behalf of any candidate for public office in any manner, including publishing or distributing statements or making campaign contributions.**

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**B. LOBBYING**

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The Internal Revenue Service imposes restrictions on charitable organizations with respect to legislative advocacy, and violations can result in the rescission of tax-exempt status and the assessment of penalties. Therefore, no Council funds may be expended for purposes of lobbying the United States Congress, executive branch agencies, or any state, county, municipal, or local legislative body. The Board provides input and feedback to the ASH Superintendent regarding the development of the DSHS legislative agenda. The Council and all Directors and Officers are prohibited from influencing the passage or defeat of legislation as a representative of the Council, ASH, or DSHS. However, the Board may engage in the following activities, which are not considered lobbying:

- Informing volunteers and the public about legislative issues critical to the goals of the Council, and stating the Council's position (while refraining from encouraging people to contact legislators about those positions, which would be considered lobbying).
- Researching and writing nonpartisan analyses of legislation, even if the analyses state the Council's position, as long as complete information is given so that people can draw their own conclusions.
- Inviting legislators or their staff to visit the Council, to learn about the Council's work, or to explain current legislative efforts.
- Attending workshops on how to lobby, generally.
- Responding to official written requests by legislative bodies for advice or testimony.

Directors may also work on legislative issues as private citizens, even if their position is based partly on their experience with the Council, and may participate in other groups that actively discuss politics and engage in lobbying.

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### **C. ASH REQUESTS FOR FUNDS**

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Authorized ASH staff members may submit written requests for funding to the ASH Director of Community Relations. Each request must include:

- A statement as to whether the request is for a new project or for the continuation or modification of an existing project.
- A description of the nature and purpose of the project.
- An identification of the population expected to benefit from the project.
- A description of the project activities and goals.
- The requirements and restrictions for project participation.
- The amount of money required.
- An itemization of the anticipated expenditures.
- For continuation funding, the prospects for alternative support and a summary of past accomplishments and future plans.

These requests are evaluated by the ASH Director of Community Relations and the ASH Superintendent, who present the request to the Finance Committee for consideration. The Finance Committee makes a recommendation to the Board at the next regular Board meeting, based on the Finance Committee's assessment of the request and any relevant circumstances. Once a decision is made by the Board, the ASH Director of Community Relations conveys the Board's response in writing to the initiating ASH staff member and, if approved, provides instructions for accessing the funds. ASH requests for funds are reviewed collectively by the Board at the end of the Fiscal Year to ensure that the Council's fundraising activities and funded projects are effectively meeting the needs of ASH patients.

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#### **D. VOLUNTEER RECOGNITION AND BENEFITS**

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The Council and ASH work jointly to recognize donors, volunteers, and visiting groups. The primary event for volunteer recognition is the annual Volunteer Appreciation Dinner, held in the spring of each year. All volunteers are invited. In addition, volunteer service may be acknowledged at various other times during the year. The manner of rewarding volunteer participation is assessed by the Board at the end of the Fiscal Year to ensure that positive feedback is sincerely and successfully delivered to volunteers.

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#### **E. DSHS RESOURCES**

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The DSHS Center for Consumer and External Affairs is a resource for local community mental health centers that offers guidance for the implementation and management of volunteer programs. In addition to an annual conference, sample forms, policies, procedures, program development suggestions, recommendations, and other forms of assistance are available. The Board encourages the Directors, Officers, and committees to make use of this resource.

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#### **F. NONPROFIT AND FUNDRAISING RESOURCES**

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Collaboration with local educational institutions can provide significant ongoing support for ASH programs and activities. In addition, a number of local resources are available to assist in Council activities, including:

- Association of Fundraising Professionals.
- Greenlights for Nonprofit Success.
- United Way of the Capital Area.
- Travis County Retired Senior Volunteer Program.
- University of Texas at Austin.
  - RGK Center for Philanthropy and Community Service at the LBJ School of Public Affairs.
  - Austin Volunteer Network at the School of Social Work.
  - Volunteer and Service Learning Center in the Office of the Dean of Students.
- Austin Community College.
  - Center for Community-Based and Nonprofit Organizations.
- Austin Business College.

These organizations serve the community in helping match the public with volunteer opportunities. Further, the resources of the University of Texas include information for nonprofit program managers best practices, and research data covering all aspects of nonprofit organizations. The Board encourages the Directors, Officers, and committees to explore these resources.

## **11. WHISTLEBLOWER POLICY**

The Council requires its Directors and Officers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the Council, Directors and Officers must practice honesty, faithfulness, integrity, and full disclosure and must comply with all applicable laws and regulations in fulfilling their responsibilities.

### **A. REPORTING**

It is the duty of all Directors, Officers, and agents of the Council to report actual or suspected ethical violations, fraudulent activities, dishonesty, and misuse of Council resources. Anyone making such a report must act in good faith and have reasonable grounds for believing or suspecting that the information disclosed indicates a violation. The Chair maintains an open-door policy and invites questions, concerns, suggestions, and complaints. In the event a concerned person is not comfortable in speaking with the Chair, or is not satisfied with the response of the Chair, violations may be reported to any member of the Executive Committee, who shall have the same duties and responsibilities as the Chair with respect to such reports. Violations or suspected violations may be submitted on a confidential basis or anonymously. Individuals are encouraged to report anything inappropriate related to financial management.

### **B. NO RETALIATION**

No person who in good faith reports a violation shall suffer harassment, retaliation, or adverse consequences. A Director or Officer who retaliates against someone who has reported a violation in good faith is subject to expulsion. It is the intent of the Council to encourage and enable individuals to raise serious concerns within the Council prior to seeking resolution outside the Council. However, any individual who alleges a violation with malicious intent or knowing it to be false is subject to termination. Whistleblowers who believe they have been subject to retaliation may submit a written complaint to the Executive Committee.

### **C. INVESTIGATION**

The Chair has specific responsibility for investigating and resolving all reported complaints and allegations concerning ethical violations. The Chair acknowledges receipt of the complaint, in writing, within five business days. All reports are taken seriously and promptly investigated, and appropriate corrective action is taken if warranted. At the Chair's discretion, the Chair may advise the Executive Committee regarding the issue. The Chair must notify the Executive Committee and the Finance Committee immediately of any complaint regarding the Council's accounting practices, internal controls, or auditing, and the Executive Committee and Finance Committee must act quickly to thoroughly investigate and resolve the issue. Cases involving possible violations of criminal law are investigated in cooperation with the Council's legal counsel. Reports of violations or suspected violations are kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Reasonable care is taken in dealing with suspected misconduct to detect baseless allegations and avoid violations of a person's legal rights. If it is determined that misconduct

has occurred, disciplinary action is taken, at the discretion of the Executive Committee. If it is determined that misconduct has not occurred, the Chair advises the person reporting the concern of the determination and the reasons behind it. The Chair must report to the Executive Committee at least annually on compliance matters.



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| <b>AFFIRMATION</b> |
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As a duly elected or *ex officio* member of the Board of Directors of the Volunteer Services Council for Austin State Hospital, Inc., I hereby certify and affirm that I have read and kept a copy of these Policies and Procedures for my files. Based upon the information contained herein, I believe that I will effectively serve as a Director of the Council.

To the best of my knowledge, no circumstance exists with me or my immediate family that might be construed as a conflict of interest with my membership on the Board of Directors of the Council.

Personal or immediate family circumstances currently exist that might be construed as a conflict of interest with my Board membership. The circumstances are described below and are submitted to the Council's Executive Committee for review and recommendation.

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Printed name: \_\_\_\_\_

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

