Cherry Blossom, Inc.
Credit Union Cherry Blossom Ten Mile Run
Management Policies Manual

Effective Date: November 1, 2020

Table of Contents

Policy for the Promotion of Ethical Conduct 3
Conflict-of-Interest Policy 5
Confidentiality Policy 9
Equal Opportunity Policy 10
Compensation Policy 11
Sexual & Discriminatory Harassment Policy 13
Whistleblower Protection Policy 17
Risk Management Policies 20
Crisis Management Policy 23
Record Retention and Document Destruction Policy 24
Succession Planning 27
Annual Statements 27
Review and Update 27
Summary of Required Actions 28
Basic Policy for the Promotion of Ethical Conduct

As a 501(c)(3) nonprofit organization at the forefront of efforts to promote health and fitness in the Washington, D.C. metropolitan area, to educate the public regarding a healthy lifestyle, and to encourage contributions in support of charities designated by the Cherry Blossom, Inc. (CBI) Board of Directors, including, but not limited to, Children’s Miracle Network nationwide, the CBI policy is to uphold the highest legal, ethical, and moral standards, and is committed to the highest levels of accountability, responsiveness, and stewardship.

Our sponsors, volunteers, contractors, consultants, involved governmental agencies, and participants all appreciate and support CBI because they trust us to be good stewards of their resources, to uphold rigorous standards of conduct, and to stage safe and enjoyable events. Our reputation for integrity, professionalism, and operational excellence requires the careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

CBI will comply with all applicable laws and regulations and expects members of the Board of Directors, Event Director and Deputy Director, employees, race committee members, contractors, consultants, and volunteers to conduct business in accordance with the letter and spirit of all relevant laws; to refrain from any illegal, dishonest, or unethical conduct; to act in a professional, businesslike manner; and to treat others with respect. Members of the Board of Directors, Event Director and Deputy Director, employees, race committee members, consultants or volunteers shall not use their positions to obtain unreasonable or excessive services or goods from CBI’s resources.

In general, the use of good judgment based on the highest of ethical principles will guide members of the Board of Directors, Event Director and Deputy Director, employees, race committee members, consultants, and volunteers with respect to lines of acceptable conduct. However, if a situation arises where it is difficult to determine the proper course of conduct, or where questions arise concerning the propriety of certain conduct by any of the above-mentioned persons, the matter should be brought to the attention of the CBI President, Event Director or Deputy Director by any individual with a concern. If the conduct of the CBI President is felt to be in question, the matter should be brought to the attention of the CBI Vice President. The CBI President or Vice President, as appropriate, shall coordinate subsequent actions with the Executive Committee and the Event Director.
In all questions involving ethics and conduct, the CBI President or Vice President, after coordinating with the Executive Committee will make relevant determinations, except in those situations where the conduct of the CBI President or Vice President is in question, then the President or Vice President shall immediately convene a special meeting of the Board of Directors, which shall make the necessary determinations. The CBI President may also call for a special Board of Directors meeting if the CBI President believes the issue needs to be brought immediately to the attention of the Board. Any individual whose conduct is at issue will not participate in such decisions. All determinations regarding ethics and conduct shall be reported to the Board of Directors, either in writing or at a Board of Directors meeting.
Conflict-of-Interest Policy

The purpose of the conflict-of-interest policy is to protect CBI’s interests and to avoid the appearance of impropriety when it is contemplating entering into a transaction or arrangement involving the private interests of a member of the Board of Director, Event Director or Deputy Director, employee, or race committee that may result in an unfair economic advantage. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict-of-interest applicable to nonprofit organizations.

Definitions

1. Interested Person Any member of the Board of Directors, Event Director of Deputy Director, employee, or race committee member who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

   a. An ownership or investment interest in any entity with which CBI has a transaction or arrangement,

   b. A compensation arrangement with CBI or with any entity or individual with which CBI has a transaction or arrangement, or

   c. A potential ownership or investment in, or compensation arrangement with, any entity or individual with which CBI is negotiating a transaction or arrangement.

   d. Any other relationship with CBI in which the person stands to benefit personally.

Compensation includes direct and indirect remuneration as well as gifts or favors but does not include those that are de minimus.

A financial interest is not necessarily a conflict-of-interest. Under Procedures, section 2 (below), a person who has a financial interest may have a conflict-of-interest only if the appropriate governing board or committee decides that a conflict of interest exists.
Procedures

1. Duty to Disclose

In connection with any actual or potential conflict-of-interest, an interested person must disclose the existence of the financial interest. The interested person shall disclose all relevant material facts to the CBI President, Event Director or Deputy Director, as appropriate.

2. Determining Whether a Conflict-of-Interest Exists

If, after disclosure of the potential financial interest and all relevant material facts, and after any discussion with the interested person, the CBI President, Event Director or Deputy Director determines there is not a conflict of interest, the Board of Directors shall be notified in writing of the determination. If it appears that that there may be a conflict of interest or an appearance of a conflict of interest, the CBI President, Event Director or Deputy Director shall refer the matter to the Board of Directors for a determination.

3. CBI Board Procedures for Addressing a Conflict-of-Interest Referral

   a. The interested person, including a member of the Board of Directors, Event Director or Deputy Director, may make a presentation at the Board of Directors meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the potential conflict-of-interest.

   b. The CBI President or Vice President, if appropriate, may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

   c. The Board of Directors shall determine whether the transaction or arrangement is at fair market value or otherwise advantageous in which case the Board may authorize the arrangement or transaction.

   d. The Board of Directors at its discretion make reasonable efforts to determine whether there may be a more advantageous transaction or arrangement from another person that would not give rise to a potential conflict of interest.

   e. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict-of-interest, the Board or committee shall determine by a majority vote of the disinterested
Directors whether the transaction or arrangement is in CBI’s best interest, for its own benefit, and whether it is fair and reasonable. The Board of Directors shall decide whether to enter into the transaction or arrangement.

4. Violations of the Conflicts-of-Interest Policy

a. If the CBI President, Event Director or Deputy Director has reason to believe an individual has failed to disclose a potential conflict-of-interest, he/she shall inform the member of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

b. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the CBI President, Event Director or Deputy Director determines the individual has failed to disclose an actual or potential conflict-of-interest, it shall take appropriate disciplinary and corrective action, ranging from a warning to dismissal from his/her position with CBI and notify the Board of Directors of such action. If the failure to disclose involves a member of the Board of Directors, Event Director or Deputy Director, the matter shall be referred to the Board of Directors.

Records of Proceedings

The minutes of the Board shall contain:

a. The name of any person with an actual or potential conflict-of-interest, the nature of the financial interest, any action taken to determine whether a conflict-of-interest was present, and the Board’s or committee’s decision as to whether a conflict-of-interest in fact existed.

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

Compensation

a. A member of the Board of Directors who receives compensation, directly or indirectly, from CBI for services is precluded from voting on any matter pertaining to that member’s compensation.

b. A member of the Board of Directors who receives compensation, directly or indirectly, from CBI, is not prohibited from providing information to any Board committee regarding compensation.
Periodic Reviews

To ensure CBI operates in a manner consistent with its 501(c)(3) non-profit purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Board of Directors. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations and contractors conform to CBI’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further 501(c)(3) non-profit purposes and did not constitute in an inurement, impermissible private benefit or in an excess benefit transaction.

Use of Outside Experts

When conducting the periodic reviews as provided for above, CBI may, at its discretion, use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.
Confidentiality Policy

As a rule, information concerning donors, sponsors, volunteers, contractors, race registrants, financial data, and business records of CBI shall be treated as confidential. “Confidential” means that no one is permitted to release information without appropriate authorization.

CBI requires its Board of Directors, Event Director and Deputy Director, employees, race committee members, and volunteers to respect the privacy of donors, sponsors, contractors, and race registrants and to maintain their personal and financial information as confidential unless CBI has authorized disclosure. General information, race results, statistical material that does not contain personal or financial information, or information that the individual has authorized disclosure is not classified as confidential. Failure to maintain confidentiality may result in corrective action, ranging from a warning to dismissal from his/her position with CBI. This policy is intended to protect both the interests of CBI as well as the Board of Directors, Event Director and Deputy Director, employees, race committee members, and volunteers.

This policy does not apply to situations where disclosure is required by law.
Equal Opportunity Policy

CBI is committed to the policy of equal opportunity and inclusion in all aspects of its operation. It is our policy to recruit and assign qualified persons based on merit without regard to race, color, religion, national origin, sex, age, ancestry, marital status, sexual orientation, disability, military or veteran status, or any other protected class as set forth under applicable state and federal civil rights laws. Decisions will be based solely on the individual's qualifications to perform the job. This intention of nondiscrimination applies to all aspects of participation in CBI activities.

It is the policy of CBI to:

Follow procedures that will ensure equal opportunity and inclusion for all persons without regard to race, color, religion, national origin, sex, age, ancestry, marital status, sexual orientation, disability, military or veteran status, or any other protected class. Our corporate policy shall consistently be one of: Inclusion, Respect, and Tolerance.

Make reasonable accommodations wherever necessary for all persons with disabilities, provided that the individual is otherwise qualified to perform the major functions of the position.

Thoroughly investigate instances of alleged discrimination and take corrective action, ranging from a warning to dismissal from his/her position with CBI, if warranted.

Any questions regarding our equal opportunity policy, or any concern for someone having been discriminated against, should be referred immediately to the CBI president, who will coordinate subsequent actions with the Executive Committee and the Event Director.
Compensation Policy

The purpose of this policy is to assure that CBI attains the highest levels of professional leadership by providing adequate compensation and benefits, and to assure that decisions regarding compensation are made through a process free of potential conflicts-of-interest.

**Persons whose compensation is subject to this policy** include members of the Board of Directors, the Event Director, the Deputy Director, employees, race committee members, and consultants. Individuals who are paid for the performance of special functions, such as volunteer coordination and EXPO management shall also be reviewed.

Compensation Committee

The CBI President shall appoint a Compensation Committee annually to review and recommend to the Finance Committee appropriate levels of compensation, salaries, benefits, and remunerations. Committee members shall be free of any conflict-of-interest potential during the deliberations.

Finance Committee

a. The Finance Committee (comprised of the CBI President, the CBI Treasurer, the Controller, the Event Director, and the Deputy Director) shall make proposals to the Board of Directors regarding compensation, remuneration, and benefits as part of its annual budget proposal.

b. Only those members of the Finance Committee who are free of conflicts-of-interest and whose compensation is not the subject specifically under discussion may be involved in the determination of compensation proposals.

c. The Finance Committee shall make these determinations at least once annually during its deliberations in developing a budget proposal for the coming fiscal year.

Equitable, Fair, and Comparable Considerations

Both the Compensation and the Finance Committees shall, to the extent possible, rely upon appropriate available data as to comparability prior to making their recommendations, and shall include background data and other reasons for the proposals made in their reports. If the committees do not have data as to comparability, they shall document any other bases for believing the proposed compensation is reasonable.
Final Board Action

Only those members of the Board of Directors who are free of conflicts-of-interest may vote on compensation decisions. The Board of Directors shall review and approve staff and other compensation levels, benefits, and remunerations after a review of available evidence and shall record its deliberations and decisions in the minutes of that Annual or other meeting.
Sexual & Discriminatory Harassment Policy

Purpose
CBI is committed to maintaining an inclusive work environment that is free from discrimination, where persons at all levels of the organization may devote their full attention and best efforts to the job. Sexual and discriminatory harassment, either intentional or unintentional, has no place in our environment. Accordingly, CBI will not tolerate any form of harassment of or by any person, at any level of our organization, or by third parties such as sponsors, contractors, vendors or clients, based on race, sex, religion, color, national origin, age, disability, or any other factors protected by law.

The term 'harassment' for all purposes includes, but is not limited to, offensive language, jokes, or other verbal, graphic, or physical conduct relating to a person's race, sex, religion, color, national origin, age, disability, or other factor protected by law that would make a reasonable person experiencing such harassment believe that the conditions of participation have been altered and that the environment has become hostile or abusive or which interferes with the person's performance or participation. This policy will apply to all member of the Board of Directors, Event Director, Deputy Director, employees, race committee members, volunteers, contractors, and others associated with carrying out CBI functions.

Policy
CBI believes that all persons have the right to an environment free from sexual and discriminatory harassment. Accordingly, we strive to ensure an atmosphere that is characterized by mutual respect. Sexual and discriminatory harassment will not be tolerated under any circumstances. CBI regards all such conduct as creating a hostile and offensive environment in violation of this policy, regardless of whether submission to such conduct is made either explicitly or implicitly a term or condition of participation.

Definition of Sexual Harassment
Sexual harassment violates Title VII of the Civil Rights Act of 1964. The U.S. Equal Employment Opportunity Commission (EEOC) and the courts define sexual harassment as any unwelcome or unwanted sexual attention, sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature, or other offensive behavior directed toward an employee because of or on account of his or her gender, whether by a person of the opposite or same gender, when:
Submission to or rejection of such conduct by an individual is made explicitly or implicitly a term or condition of an individual's participation or is used explicitly or implicitly as a factor in decisions affecting that participation (sometimes referred to as "quid pro quo" harassment); or such conduct is severe or pervasive enough to interfere with an individual's performance or otherwise renders the environment as intimidating, coercive, hostile, or offensive to the reasonable person (sometimes referred to as "hostile environment" harassment).

Examples of the types of conduct that may constitute sexual harassment include, but are not limited to:

- Unwelcome sexual advances, propositions, flirtations, or innuendoes
- Demands for sexual favors
- Unwanted and unnecessary physical contact (such as grabbing, rubbing, 
  - patting, pinching, touching, or hugging)
- Demands for sexual favors in exchange for favorable treatment or 
  - continued participation
- Display of pornographic material
- Excessively offensive remarks, including unwelcome graphic or 
  - suggestive comments about an individual's body, appearance, 
  - dress, sexual prowess, or deficiencies
- Obscene jokes
- The display of sexually suggestive objects or pictures
- Any other unwelcome and unwanted conduct of a sexual nature, such as 
  leering, whistling, staring, name calling, and sexual innuendo.

Other Forms of Discriminatory Harassment
Other discriminatory harassment consists of unwelcome conduct, whether verbal, visual, or physical, that tends to poke fun at or stereotype an individual because of his or her protected status. Examples of this type of conduct include, but are not limited to:

- Making inappropriate/disrespectful comments about a person's gender
- Using sexist slurs or epithets
- Negative stereotyping
  - Excluding individuals from the use of or making them feel uncomfortable in 
    their participation in CBI activities based on race, color, gender, national origin, 
    religion, age, physical or mental disability, or sexual orientation.

Procedures
Complaint Procedure: A person who alleges that he or she is the victim of sexual or discriminatory harassment, or a person who has knowledge of, or a person
who has witnessed any form of sexual or discriminatory harassment should bring the subject to the attention of the CBI president immediately. All members of the Board of Directors the Event Director and Deputy Director, employees and members of the race committee who are aware of any incidents of sexual harassment have a duty to report such incidents. Failure to do so can result in appropriate disciplinary action. If there is a legitimate reason that the victim is uncomfortable reporting the matter to the CBI president, that person should contact the CBI Vice President. The CBI President or Vice President, as appropriate, will coordinate subsequent actions with the Executive Committee.

After a complaint has been received, an investigation will be conducted. Both the complainant and the alleged harasser will be interviewed, as well as any witnesses. All persons serving with CBI should cooperate with the investigation. Depending on the complexities of the investigation, all parties involved should be informed of the status of the complaint as promptly as possible, consistent with conducting a thorough investigation.

Confidentiality: CBI will maintain the confidentiality of the complainant, the accused, and the witnesses to the extent possible under the circumstances. CBI cannot promise absolute confidentiality, but pledges to conduct the investigation on a need-to-know basis. Only those who have a need to know about the complaint and the identity of the complainant will be made aware of and have access to that information.

Follow-Up Action: If the investigation shows that the alleged harasser violated these policies, proper action could include a warning or go so far as suspension and/or dismissal from CBI activities. The seriousness of the violation, the existence and nature of prior sexual or discriminatory harassment complaints and/or policy breaches, as well as other considerations, will be considered when determining the appropriate actions.

Retaliation against any party involved – the accused, accuser, witnesses and investigators – will not be tolerated.

If the complaint is not substantiated, no disciplinary actions will be taken against either the accuser or the accused. Retaliation against either party or any witness will not be tolerated.

If it is determined that the complaint was made in bad faith and was intentionally false, the CBI President in collaboration with the Executive Committee will determine what, if any, actions may be taken against the complainant.
Harassment by Other Entities: CBI will strive to prevent sexual or discriminatory harassment of CBI persons by outside individuals (sponsors, vendors, contractors, runners, etc.) in our environment, and our personnel should promptly report any such harassment to the appropriate individual(s) listed above.

An investigation will be carried out and remedial measures taken if found to be warranted.

Responsibilities
The CBI Board will inform and educate its employees, race committee members, volunteers, consultants, and vendors about its sexual or discriminatory harassment policies. Suggestions and complaints regarding the communication and implementation of this policy are welcome.
**Whistleblower Protection Policy**

**Purpose**
In keeping with the policy of maintaining the highest standards of conduct and ethics, CBI will investigate any suspected fraudulent or dishonest use or misuse of corporate resources or property by members of the Board Directors, Event Director and Deputy Director, employees, race committee members, volunteers, vendors, or contractors. Everyone involved is encouraged to report suspected illegal, unethical, fraudulent or dishonest conduct and may use the procedures set forth below.

**Reporting**
Concerns about possible fraudulent or dishonest use, or misuse, of CBI resources or property should be reported to the CBI President, Event Director, or Deputy Director, as appropriate. An anonymous complaint may be filed in writing with any of the above individuals.

**Definitions**
Fraudulent or Dishonest Conduct: A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include:

- Forgery or alteration of documents
- Unauthorized alteration or manipulation of computer files
- Fraudulent financial reporting
- Pursuit of a benefit or advantage in violation of CBI’s Conflict-of-Interest Policy
- Misappropriation or misuse of CBI resources, such as funds, supplies, or other assets
- Authorizing or receiving compensation for goods not received or services not performed
- Authorizing or accepting deliberately inaccurate expense reimbursements

Whistleblower: An employee, race committee member, volunteer, consultant, contractor, or vendor who informs the CBI about an activity relating to CBI which that person believes to be illegal, unethical, fraudulent or dishonest.

**Rights & Responsibilities**
All members of the Board of Directors, Event Director, Deputy Director and race committee members are required to report suspected illegal, unethical, fraudulent or dishonest conduct. Employees, volunteers, consultants and vendors are encouraged to report suspect illegal, unethical, fraudulent or dishonest conduct
to the CBI. Reasonable care should be taken in dealing with suspected misconduct to avoid:

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

The CBI President, Event Director or Deputy Director shall act promptly to take all necessary steps to investigate and/or resolve the issue. If it is determined, that there is potential fraud or misconduct, the Board of Directors should be notified. The CBI President shall determine what action should be taken, which may include an internal investigation, referral to outside auditors or attorneys, and/or referral to law enforcement authorities.

The CBI President should report the results of the inquiry to the Board of Directors, including any corrective action. The findings of the inquiry may be communicated to the reporting person, if appropriate.

**Whistleblower Protection: CBI will protect whistleblowers as defined below:**

CBI will use its best efforts to protect whistleblowers against retaliation for reports made in good faith. Whistleblowing complaints will be handled with sensitivity, discretion, and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that whistleblower complaints will only be shared with those who have a need to know so that CBI can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, refer the situation to law enforcement officials.

Members of the Board of Directors, Event Director, Deputy Director, employees, race committee members, volunteers, vendors, consultants, or contractors of CBI may not retaliate against a whistleblower for informing management about an activity which that person believes in good faith to be illegal, unethical, fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistleblower's position within CBI, including but not limited to, threats of physical harm, loss of position, punitive assignments, or impact on contracts or fees. Whistleblowers who believe that they have been retaliated against may file a written complaint with CBI President or Vice President, as appropriate. Any complaint of retaliation will be promptly investigated, and appropriate corrective measures taken if allegations of retaliation are substantiated.
An individual who makes a baseless allegation with a reckless disregard for truth may be subject to removal from all CBI activities.
Risk Management

CBI is committed to protecting its human, financial, tangible, and goodwill assets and resources through the practice of effective risk management. CBI's Directors and staff members are required to ensure the safety and dignity of all associated persons, including volunteers, sponsors, runners, vendors, contractors, consultants, and anyone else who has a relationship with the organization. To this end, the organization will ensure that there are risk management procedures or plans that are reviewed and updated on an annual basis.

Insurance
CBI will purchase necessary policies to appropriately insure the organization against risk. Types of insurance to be purchased should include:
• Insurance against personal theft and dishonesty
• Indemnification
• General liability (personal and property damage and punitive damage)
• Commercial (for physical assets)
• Nonprofit Officers' and Directors' Liability
• Additional types of insurance needed to protect the organization, as approved by the Board.

Asset Protection
The Event Director shall implement measures to adequately protect and maintain from unnecessary risk CBI assets. Accordingly, the Event Director shall:

• Insure against theft and casualty losses of CBI property and against liability losses by Directors, staff members, or the organization itself, at no less than minimally acceptable prudent levels
• Have dishonesty insurance and Directors' and officers' liability insurance for personnel with access to material amounts of funds
• Ensure all CBI equipment is not subjected to improper wear and tear, theft, loss, or insufficient maintenance
• Protect the organization or its Board from exposure leading to claims of liability
• Protect intellectual property, information, and files from loss or significant damage
• Demonstrate prudent methods when making significant purchases to protect against conflicts-of-interest
The CBI Treasurer is directly responsible for ensuring that:

• All funds are received, processed, or disbursed under financial controls that meet the Board-approved accountant’s standards and that an annual audit or financial review is conducted to ensure that there has been proper financial control.

• Investments and operating capital are held securely in insured checking and interest-bearing accounts and instruments.

• The organization’s public image and financial credibility would not be tarnished, notably in any manner that would hinder the accomplishment of its mission.

**Financial Controls**

CBI shall closely control and monitor the issuance of corporate credit or debit cards to its Directors, staff members, or volunteers. Those persons authorized by the Finance Committee to hold CBI cards shall use the cards only for legitimate CBI business expenses.

**Financial controls shall include:**

1. Authorization for signatures necessary on contracts, checks, and orders for payment, receipt or deposit or withdrawal of money, and access to securities of CBI shall be provided by vote of the Board.

2. Any individual authorized to purchase goods and/or services for the organization shall follow the procedures set forth in this Management Policies Manual.

3. The Finance Committee shall be responsible for developing and recommending a fiscal year operating budget to the Board for approval at the Annual Meeting of the Board of Directors to be held during October of each year.

4. The Board shall be responsible for adopting the annual operating budget, which shall cover the fiscal year, which will start on November 1 and extend through October 31 of the following calendar year.

The Finance Committee will review all financial procedures on an annual basis, and the use of cards and charge accounts will be the subject of an annual internal review.
Financial Review

Purpose
CBI will have an annual audit or other review of its financial status conducted. The purpose of this policy is to ensure compliance with all fiduciary and legal requirements relating to CBI finances. The CBI Treasurer and the Controller shall ensure the required annual submission of Form 990 to the Internal Revenue Service.

Scope
This requirement for audit or other financial review shall apply to all matters relating to the fiscal and accounting affairs of CBI.

Policy
The agreement for the provision of review services is between the CBI Board of Directors and a selected accounting firm. The Board will vote on the firm to be chosen, based upon recommendations from the Finance Committee. The audit or other review will be conducted annually and will include such matters as are standard, as well as addressing other specific issues as requested by the Board.

The selection of the firm to review CBI fiscal matters and prepare the annual IRS Form 990 shall be based on confirmation that it is a licensed accounting firm, the fees quoted, the firm's experience with nonprofit organizations, and the ability of the firm to address issues identified by the Board.

The recommendation of an accounting firm will be made by the Finance Committee, but approval of the firm lies solely with the discretion of the Board. The appointment of the financial review accounting firm will be the subject of a vote at the annual meeting of CBI.

The Finance Committee shall review any non-audit services to be provided to CBI by its accountant. With pre-approval of the Finance Committee, the accounting firm may be engaged to perform other services.

The Finance Committee is authorized to pre-approve any accountant-related or other financial services required between board meetings. Such interim pre-approvals shall be referred to the full Board at its next meeting.
Crisis Management Policy

CBI shall have, and review on an annual basis, a Crisis Management Plan. The plan shall be developed under guidance from the Event Director and shall provide the prior planning needed to accommodate a range of crises, emergency situations, or alterations to the event staging area, the race course, or the EXPO location, that could be encountered on or immediately before race day. The plan shall offer specific protocols for a wide range of situations or conditions including death or injury, accidents, terrorist threats, or inclement weather, and for dealing with the media as necessary in each given circumstance.
Record Retention and Document Destruction Policy

Purpose

In accordance with legal and regulatory requirements which make it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by CBI in connection with the transaction of corporate business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate CBI’s operations by promoting efficiency and freeing up valuable storage space.

Document Retention

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

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<thead>
<tr>
<th>CORPORATE RECORDS</th>
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<tbody>
<tr>
<td>Annual corporate filings</td>
<td>Permanent</td>
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<tr>
<td>Any correspondence with the Secretary of State</td>
<td>Permanent</td>
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<td>Audits</td>
<td>Permanent</td>
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<td>Articles of Incorporation</td>
<td>Permanent</td>
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<tr>
<td>Board and Race Committee Meetings</td>
<td>Permanent</td>
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<td>Board Policy Documents &amp; Resolutions</td>
<td>Permanent</td>
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<td>Bylaws</td>
<td>Permanent</td>
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<td>Financial Statements</td>
<td>Permanent</td>
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<tr>
<td>IRS Application for Tax-Exempt Status</td>
<td>Permanent</td>
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<td>IRS Determination Letters</td>
<td>Permanent</td>
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<tr>
<td>State or District of Columbia Tax Exempt Letters</td>
<td>Permanent</td>
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<tr>
<td>Correspondence – General</td>
<td>3 Years</td>
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<tr>
<th>FINANCIAL AND TAX RECORDS</th>
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<tr>
<td>IRS Form 990 Tax Returns</td>
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<td>General Ledgers</td>
<td>Permanent</td>
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<tr>
<td>Business Expense Records</td>
<td>7 Years</td>
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<tr>
<td>Debit Card Transactions</td>
<td>7 Years</td>
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<tr>
<td>Filings of Fees Paid to Professionals (Form 990)</td>
<td>7 Years</td>
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<td>Investment Records (Deposits, Earnings, Withdrawals)</td>
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<td>Document Type</td>
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<td>IRS Forms 1099-MISC and 1096</td>
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<td>IRS Forms 1042, 1042-S and 1042-T</td>
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<td>Invoices</td>
<td>7 Years</td>
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<td>Check Registers</td>
<td>7 Years</td>
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<tr>
<td>Deposit Slips/CANCELLED checks</td>
<td>7 Years</td>
</tr>
<tr>
<td>Statements and Reconciliation</td>
<td>7 Years</td>
</tr>
<tr>
<td>Petty Cash Records</td>
<td>3 Years</td>
</tr>
</tbody>
</table>

### LEGAL, INSURANCE, AND SAFETY RECORDS

<table>
<thead>
<tr>
<th>Record Type</th>
<th>Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copyright Registrations</td>
<td>Permanent</td>
</tr>
<tr>
<td>Environmental Studies</td>
<td>Permanent</td>
</tr>
<tr>
<td>Insurance Policies, claims applications, denials</td>
<td>Permanent</td>
</tr>
<tr>
<td>Trademark Registrations</td>
<td>Permanent</td>
</tr>
<tr>
<td>Leases</td>
<td>6 Years After Expiration</td>
</tr>
<tr>
<td>General Contracts</td>
<td>5 Years After Completion</td>
</tr>
<tr>
<td>Race Registration and Waiver Forms</td>
<td>5 years</td>
</tr>
<tr>
<td>Race Weekend Medical Report Forms</td>
<td>5 years</td>
</tr>
</tbody>
</table>

**Electronic Documents & Records**

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to, an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

**Emergency Planning**

CBI's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping CBI operating in an emergency will be duplicated or backed up at least every week. Computer financial records will be backed up and maintained in storage media separate from the computer on which it normally resides.

**Document Destruction**

CBI's Event Director and Treasurer are responsible for the ongoing process of identifying which records have met the required retention period, and in overseeing their destruction. Destruction of financial and personnel-related documents, and any other document considered of a sensitive nature, will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent or when a non-party subpoena is received.
Destruction will be reinstated upon conclusion of the investigation, lawsuit or subpoena.
**Succession Planning**

Since leadership vacuums can leave organizations vulnerable to problems, CBI must develop plans to provide for succession in major leadership roles including, but not necessarily limited to, the positions of President, Vice President, Secretary, Treasurer, Event Director and Deputy Director. To provide the basis for such planning, the CBI ByLaws will be reviewed regarding the duties and responsibilities of the Officers, Executive Committee, and the Board of Directors. Additionally, the Event Director shall direct the development of an “Operations Manual” that will spell out in detail the functional areas of responsibility for the Event Director, the Deputy Director, and major race event leaders. The goal is to ensure thoughtfully-developed plans to minimize disruptions and ease transitions in filling significant leadership vacancies.

**Annual Statements**

Each member of the Board of Directors, staff members, and members of any committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of this CBI Management Policies Manual.

b. Has read and understands the policies as outlined in the Manual.

c. Has agreed to comply with the policies outlined in the Manual, and

d. Understands CBI is a non-profit entity and, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Review and Update**

This Manual shall be reviewed and updated annually as appropriate and necessary to maintain current and accurate relevance.
Summary of Required Actions

1. The CBI President will ensure that the CBI Management Policies Manual (CBI MPM) is reviewed and updated each year as necessary and/or appropriate.

2. The CBI President will ensure that each Director and staff member receives a copy of the CBI MPM.

3. Each Director and staff member shall acknowledge receipt of the CBI MPM and these signed statements will be retained in the corporate records.

4. Each Director and staff member must sign a statement that he/she understands that Cherry Blossom, Inc., is a 501(c)(3) non-profit entity and agrees to act in recognition and furtherance of that status.

5. Each Director and staff member shall sign a statement that he/she agrees to comply with CBI’s:
   a. Ethical Conduct Policy
   b. Conflict-of-Interest Policy
   c. Sexual and Discriminatory Harassment Policy
   d. Confidentiality Policy
   e. Equal Opportunity Employment Policy
   f. Whistleblower Protection Policy

   These statements will be retained in the corporate records

6. The CBI President shall convene a committee to review staff compensation and other remunerations during June or July of each year.

7. The Compensation Committee shall provide a written report with recommendations to the Finance Committee by the end of July each year.

8. The Finance Committee will meet during the month of August to develop a proposed budget for the next fiscal year.

9. The Finance Committee will recommend a budget to the Board of Directors during the month of September.

10. The CBI President will convene the corporate Annual Meeting of the Board of Directors during the month of October. At this meeting, the Board will:
    a. Adopt a budget for the upcoming fiscal year
    b. Decide on an accounting firm for the year
c. Decide whether to conduct an audit or other form of financial review for the year

d. Authorize signatories for financial matters for the year

e. Review and vote on the updated version of the CBI MPM

f. Conduct such other business as is necessary

11. The Event Director shall apprise and review potential risks and advise the Board of Directors of insurance coverage and other risk management needs.

12. The Finance Committee will review and analyze financial control procedures and make recommendations to the Board of Directors as needed.

13. The CBI Treasurer and Controller shall, jointly, ensure that the annual Form 990 and related documents are prepared and submitted to the IRS.

14. The Event Director shall ensure that the Crisis Management Plan is reviewed and updated to reflect current conditions or threats.