



***Special  
Olympics***  
*North Carolina*

# Operating Policies

# SONC OPERATING POLICIES

*These policies apply to Special Olympics North Carolina (SONC) only and are a supplement to the General Rules of Special Olympics Incorporated. These two documents (SOI General Rules and SONC Operating Policies) should be used together in order to fully understand the policies and procedures that apply to Special Olympics North Carolina.*

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# Article 1

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## Mission, Goals and Founding Principles

# Article 2

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## Definitions: Structure of Special Olympics

**Section 2.NC01      SONC Annual Leadership Conference**

SONC, under the direction of the President, will plan and conduct a Leadership Conference each year, to provide an annual forum for dialogue between SONC volunteers and/or athletes and the SONC Board and staff concerning new programs, guidelines and direction of the Special Olympics program in North Carolina. If approved in the appropriate annual budget, SONC will provide housing and planned meal function costs for SONC Board members, staff and one representative from each sub-program and other individuals as determined on an annual basis by the President. All other expenses associated with the conference, such as travel and additional meals, will be the responsibility of the sub-program or individual. Additional attendees will be allowed to attend the conference for a fee determined based on actual expenses.

# Article 3

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## Governance of Special Olympics North Carolina

**Section 3.NC01    Bylaws**

The Bylaws of Special Olympics North Carolina, Inc. govern the manner in which the organization's Board of Directors conducts business. These bylaws are reviewed annually and are as follows.

Revised: December 11, 2012

**Special Olympics North Carolina, Inc.  
A Non profit corporation  
Pursuant to the laws of the State of North Carolina  
Bylaws**

ARTICLE I

MISSION, PURPOSES AND PRINCIPLE OFFICE

Section 1. The mission of Special Olympics is to provide year-round sports training and competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills, and friendship with their families, other Special Olympics athletes and the community.

Section 2. The principal office of the Corporation shall be within the Research Triangle area of North Carolina. The Corporation may establish offices at such other places within the State of North Carolina as the Board of Directors may from time to time determine.

ARTICLE II

CONDUCT OF CORPORATE BUSINESS

Section 1. The business and affairs of the Corporation are to be conducted in accordance with the Articles of Incorporation and these Bylaws and such other and further Bylaws as may be adopted by the Board of Directors.

ARTICLE III

ALTERATION, AMENDMENT OR REPEAL OF BYLAWS

Section 1. The power to alter, amend, repeal or adopt these Bylaws or adopt new Bylaws shall be vested in the Board of Directors. A majority vote of the Board of Directors shall be required to alter, amend, repeal or adopt these Bylaws or adopt new Bylaws. Written or printed notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each director within the time and in the manner provided for the giving of notice of meetings of Directors. Any director or officer may propose amendments.

Section 2. Prior to each annual meeting of the Board of Directors, the Executive Committee shall review these bylaws and recommend any necessary changes thereto.

## ARTICLE IV

### COMPOSITION, TERMS OF BOARDS OF DIRECTORS; REMOVAL

Section 1. The Board of Directors shall consist of not less than twenty (20) nor more than twenty-five (25) persons. Directors shall be elected in accordance with the Articles of Incorporation at the annual meeting of the Corporation, and each shall have voting rights.

Section 2. Any previously unfilled seat resulting in Board composition being below the minimum number, or any vacancy in an unexpired term may be filled by election by the Directors then in office at any Board meeting. Any previously unfilled seat to be filled when Board composition is above the minimum shall be filled through election by current directors at any board meeting.

Section 3. Except as provided in Article VII, Directors shall serve for the terms of three years, beginning January 1 after the annual Board meeting, and may succeed themselves in office: However, if a director has served for two full consecutive terms (not including any partial term), he or she shall not be eligible for re-election until one year has elapsed after the end of the second term.

Section 4. Any director may be removed from office, for cause, at any Board meeting by a vote of two-thirds of the Directors then in office: Provided, that any Director to be subject to such a vote shall, unless said Director does not contest removal, be given notice of the impending vote and the alleged reasons therefore and a reasonable opportunity to be heard prior to said vote. "Cause" includes, but is not limited to, failure to attend three consecutive regular Board meetings, and failure to make a personal donation to Special Olympics North Carolina, Inc. each of the years of Board service.

## ARTICLE V

### MEETINGS

Section 1. The Corporation shall hold meetings four times annually. Regular meetings of the Board may be held without notice. The annual meeting of the Board shall be conducted in the fourth quarter of each year.

Section 2. Written or printed notice stating the place, day, and hour of regularly scheduled meetings shall be delivered not less than thirty (30) days in advance of such meetings. If mailed, notice shall be deemed delivered when deposited in the United States mail addressed to the member at his/her address as it appears on the records of the corporation, with postage thereon prepaid. If using E-mail, the notice will be sent to the E-mail address that the Board member indicated be used in their written contact information provided at the time of nomination. A Director's attendance at a meeting shall constitute waiver of notice of such meeting, excepting such attendance at a meeting by the director for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 3. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) directors. Written or printed notice stating the place, day, hours and the purpose of the special meeting shall be delivered not less than five (5) days in advance of such meeting if delivered personally or E-mail, or at least ten (10) days in advance if delivered by mail. If mailed, notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his/her address as it appears on the records of the corporation, with postage thereon prepaid. If using E-mail, the notice will be sent to the E-mail address that the Board member indicated be used in their written contact information provided at the time of nomination. A Director's attendance at a meeting shall constitute waiver of notice of such meeting, excepting such attendance at a meeting by the director for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 4. A quorum shall consist of a simple majority of the membership of the Board and a majority of those present shall rule.

Section 5. All meetings shall be conducted in accordance with Robert's Rules of Order.

Section 6. Informal Action by Directors and Attendance by Telephone. Action taken by unanimous consent of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken. Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed presence in person at such meeting.

## ARTICLE VI

### POWERS AND DUTIES OF BOARD OF DIRECTORS

Section 1. The Board of Directors shall be responsible for overseeing the effective management, direction and mission of SONC. It shall have and exercise the corporate powers prescribed by the laws of North Carolina. The essential functions of the Board shall be policy-making, the assurance of sound management, increasing public awareness of intellectual disabilities and active participation in the provision of necessary financial resources. The Board has ultimate responsibility to determine policies deemed to be necessary for the administration and development of SONC.

Section 2. The Board shall, but without limitation:

- (a) Appoint the President, who shall be the chief executive officer of SONC and chief staff officer of the Board;
- (b) Determine, review and assess the mission, programs and activities of SONC consistent with the policies, spirit and intent of Special Olympics, Inc.;
- (c) Develop personnel policy and procedure regarding terms and conditions of employment, for the President.
- (d) Develop and oversee policy and procedure in managing all business

- affairs, including approval of an annual budget;
- (e) Approve and oversee the acquisition, management and disposition of all property and facilities;
  - (f) Approve and receive gifts or bequests of tangible and intangible property as SONC policy and donor intent determine;
  - (g) Enter into and perform contracts in the furtherance of the mission of SONC;
  - (h) Appoint auditors and require an independent yearly audit of financial accounts, records and resources by a Certified Public Accountant and authorize the preparation of an annual report of the same;
  - (i) Approve, promote and participate in fund-raising programs;
  - (j) Ensure that SONC maintains a sound planning process, and review its goals and objectives annually;
  - (k) Approve any accounts opened at a financial institution for the purpose of conducting financial business on behalf of SONC;
  - (l) Keep a complete set of records such as Board-related minutes, financial records, and constituent records for a time period outlined in the SONC Operating Policy on records retention.

Section 3. The Board of Directors may not compensate Directors for their services as such but may provide for the payment of any reasonable expenses incurred by Directors in attending regular and special meetings of the Board of Directors, committee meetings and competitions and other events.

Section 4. Each member of the Board of Directors shall be entitled to one (1) vote. No proxy votes are permitted.

Section 5. If and when the required majority of the Board of Directors shall consent in writing to any action to be taken by the Corporation, such action shall be valid corporate action as though it had been authorized at a meeting of the Board of Directors.

Section 6. For any reason deemed sufficient by the Board of Directors, whether occasioned by absence or otherwise, the Board of Directors may delegate all or any of the powers and duties of any officer to any other officer or Director.

Section 7. The Board may appoint individuals to an Advisory Board of the Corporation. They shall be elected by a majority vote of the Board of Directors and shall number not more than twenty-five (25). They shall serve at the discretion of the Board of Directors. The Advisory Board members are ex-officio members and do not have the right to vote on business matters related to the Board.

Section 8, The selection and/or removal of the President shall be the responsibility of the full Board of Directors. Selection of a new President or removal of a current President shall be by a two-thirds vote of the directors. In the event of the removal, resignation, incapacity or unavailability of the President, the Board of Directors may by a majority vote appoint an Acting President for such period of time as may be necessary to search for and hire a President. When conducting a search for a new President, the Chairman shall appoint a committee of no less than three and no more than five individuals, of which a majority shall be current board members, to act as the President Search Committee. Such committee shall be charged with recruiting and recommending to the Board of Directors a candidate for

the position of President. From the candidate recommended by the President Search Committee, the Board of Directors shall select a President who shall be directly responsible to the Board of Directors. The board shall comply with all federal, state, and local laws pertaining to fair hiring practices.

Section 9. No currently serving board member shall be considered for any SONC staff position without first resigning from the board. Former board members who were candidates for the position of President are not eligible for reappointment to the board for two years.

## ARTICLE VII OFFICERS

Section 1. The officers of the Corporation shall consist of a Chairman Emeritus, Chairman, a Vice-Chairman, a Secretary, a Treasurer, and the President.

Section 2. The officers of the Corporation, with the exception of the President, shall be elected by and from the Board of Directors. Officers shall serve for a term of two years, with an annual review by the nominating committee. Any Officer shall be permitted to extend their term limit if the term of service ends while the member is serving as an elected Officer. With the exception of the Chairman, the Officer's term on the Board must end at the completion of the two-year term as an Officer.

Section 3. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with an affirmative vote of the majority of the members of the Board of Directors but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. The President shall be an ex officio, nonvoting member of the Board and may not be counted as a member of the Board in filling Board membership requirements on standing committees.

Section 5. The Board may establish such other officers as may be deemed necessary for the Board to fulfill its responsibilities.

Section 6. In the event of a vacancy in the office of President, the Executive Committee shall submit to the Board nominations for candidates for that office. A vacancy in any office may be filled at any Board meeting.

Section 7. Chairman Emeritus: The Chairman Emeritus shall be the immediate past Chairman and shall hold office for one year after leaving the position of Chairman. He/she shall perform all duties as may be prescribed by the Board of Directors from time to time. If the member's term limit has been reached, the member may have an extra year of service to the Board in the role as Chairman Emeritus (a.k.a. Immediate Past Chair) with full rights as a voting Board member.

Section 8. Chairman: The Chairman shall, when present, preside at all meetings of the Board, and shall have a vote on all questions. He/she shall perform all duties as may be prescribed by the Board of Directors from time to time and shall submit a progress report to the annual meeting of the Board of Directors.

Section 9. Vice-Chairman: The Vice-Chairman shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers, as the Board of Directors shall prescribe.

Section 10. Secretary: The Secretary shall keep accurate records of the acts and proceedings of all meetings of Directors. He/She shall give all notices required by law and by these Bylaws. He/She shall have charge of the corporate seal, and shall affix the corporate seal to any lawfully executed instrument requiring it. He/She shall sign such instruments as may require his/her signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors. An Assistant Secretary who shall be responsible to and report to the Secretary may perform any of the duties of the Secretary.

Section 11. Treasurer: The Treasurer shall be responsible for carrying out the mandates of the Board of Directors and its Finance Committee in overseeing the financial resources of the Corporation including, but not limited to, cash, securities, stocks, bonds and all other property, personal or real, owned by the Corporation. The Treasurer shall assure that all books and accounts are accurately kept and furthermore, shall cause a financial statement to be presented at every regular board meeting and, if required, at a special Board meeting, a finance committee meeting, or an Executive Committee meeting. The Treasurer shall have other powers and duties as the Board may from time to time determine. The Treasurer shall automatically serve as the Chair of the Finance Committee.

Section 12. The President shall be chief executive officer of SONC and shall be the official advisor to and executive agent of the Board. The President shall, as administrative head of SONC, exercise a general superintendence over the affairs of SONC and bring such matters to the attention of the Board as are appropriate in meeting its responsibilities. The President shall have power, on behalf of the Board, to perform all acts and execute all documents to make effective the actions of the Board, and shall have such other powers and duties as the Board may from time to time determine. In addition to the Board, the President shall be an ex officio member of all standing committees.

Section 13. The Board shall cause all officers to be bonded.

## ARTICLE VIII

### CONTRACTS, LOANS, AND DEPOSITS

Section 1. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Corporation and such authority may be general or confined to specific instances.

Section 2. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories, as the Board of Directors shall direct.

Section 5. The Board of Directors may by resolution require any or all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

## ARTICLE IX

### GENERAL PROVISIONS

Section 1. The corporate seal of the Corporation shall consist of two concentric circles between which is inscribed SEAL: and such seal, as impressed on the margin hereof, is hereby adopted as the Corporate seal of the Corporation.

Section 2. Whenever any notice is required to be given to any Director under the provisions of the North Carolina Non-Profit Corporation Act or under the provisions of the charter of By-laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice

Section 3. Unless otherwise ordered by the Board of Directors, the fiscal year of the Corporation shall be from January 1 to December 31.

Section 4. In the event that Special Olympics North Carolina, Inc. is dissolved as a corporation within the state of North Carolina, and ceases to exist for stated purposes and goals, said certificate shall be filed with the Secretary of State in accordance with the statutes of the State of North Carolina pertaining to the dissolution of a not-for-profit corporation. Any assets shall be distributed to Special Olympics, Inc. for future use serving individuals with intellectual disabilities in North Carolina.

## ARTICLE X

### EXECUTIVE COMMITTEE

Section 1. The Executive Committee shall have all of the authority of the Board between regular and special meetings thereof, except as to the following matters:

- a. The filling of vacancies in the Board of Directors or in any committee;
- b. The fixing of compensation of the members of the Board or President;
- c. The amendment or repeal of the Bylaws or the adoption of new Bylaws;
- d. The amendment or repeal of any resolution of the Board;
- e. The authority to appoint or remove the President.

Section 2 The Executive Committee shall hold regular meetings on dates and in places to be determined by its members; and shall hold such special meetings as may from time to time be called by the Chairman on notice to the members. Such notice shall be given at least two (2) days in advance of any such special meeting, and may be given in writing or by telephone provided that each member shall be reached thereby at least two (2) days prior to any such meeting. A quorum shall consist of a majority of the members of the Executive Committee. Minutes of meetings of the committee shall be provided to each Director within twenty (20) days thereof.

Section 3 The Executive Committee shall avail itself of the expertise of specialists from the Board of Directors or the general public as shall be necessary to adequately perform its duties.

Section 4 The committee shall periodically review the organizational structure and the general administration of the corporation, and shall make recommendations to the Board of Directors for their adoption. The committee shall specifically conduct an annual review of the corporation operating policies and make recommendations as deemed necessary.

Section 5 The Chairman of the Board shall serve as the Chairman of the Executive Committee.

Section 6 The Executive Committee shall be comprised of the officers of the Board as identified in Article VII of these by-laws and the Chairman may appoint two or more directors as at-large members of the executive committee.

Section 7 The term limits of the executive committee will be as follows: the term for officers of the Board shall not exceed the term of the particular office, as outlined in Article VII, section 2 of these by-laws; the term of at-large members appointed by the chairman shall be for two years, not to exceed the regular term of service of Board members as outlined in Article IV, Section 3 of these by-laws.

Section 8 The Executive Committee shall approve the creation of any account(s) with financial institutions for the purpose of conducting banking and/or investment business on behalf of the Organization.

#### ARTICLE XI COMMITTEES

Section 1. There shall be the standing committees specified in this Article. The Chairman shall appoint members of standing committees annually, at or following the annual meeting of the Board of Directors. Except as provided in these By-laws, the Chairman and the President of the Corporation shall be ex-officio members of all standing committees, and each standing committee shall include at least one Director. Each Director shall be appointed to a standing committee. Except where otherwise provided in the Article, additional members, including persons who are not on the Board of Directors, may be appointed. The Chair of each committee shall be elected by the members of that committee, and shall be a member of the Board of Directors. The only exception is the Chair of the Finance Committee, which will automatically be filled by the Treasurer.

Section 2. The creation of a committee and appointment of members to it must be approved by the greater of (i) a majority of all the directors in office when the action is taken or (ii) the number of directors required in these By-laws for Director action.

Section 3. Each committee of the Board may exercise the Board's statutory authority, except that no committee of the Board may:

- (i) Authorize distributions;
- (ii) Recommend to members to approve dissolution, merger or sale, pledge or transfer of all or substantially all of the corporation's assets;
- (iii) Elect, appoint or remove Directors, or fill vacancies on the Board or on any committee; or
- (iv) Adopt, amend or repeal the articles of incorporation or By-laws.

Section 4 There may be such special or ad hoc committees as the Board of Directors may from time to time establish for the discharge of particular duties. They shall be given specific responsibilities and a deadline for completion of their assigned duties.

Section 5 The Chair of any committee, may request the President, to appoint a member of the staff to assist the Committee in the carrying out of its duties.

Section 6 Except as otherwise provided in this Article, all standing committees shall meet at least two (2) times annually. The Chair of each standing committee shall be prepared to report at each regular meeting of the Board.

Section 7 Finance Committee: The committee shall review annual operating budgets prepared and presented under the direction of the President and make recommendations to the Board of Directors for their adoption. It shall receive and review quarterly statements of income and expenditures and it shall review and make recommendations regarding financial transactions not provided for in the budget. Proposed variances with recommendations shall be submitted to the Board of Directors or Executive Committee for approval. The Committee shall periodically appraise the financial control and accounting systems of the Corporation and recommend any changes it deems appropriate. It shall recommend the designation of an independent auditor each year and shall cause to be prepared and submitted to the Board of Directors at least once a year, an audited statement of the financial condition of the Corporation at the close of the fiscal year and of the receipts and expenditures for each year. The Committee may request any designated independent auditor, or any officer or employee to appear before it to report on the financial condition of the Corporation and answer any question the Committee might have.

Section 8 Nominating Committee: The committee shall consist of four (4) members of the Board of Directors elected by the Board of Directors. The Chairman shall appoint the Chair. The Committee shall present to the Board of Directors nominations for the Directors to be elected or re-elected by the Board, and for the offices of Chairman, Vice- Chairman, Secretary and Treasurer. The Committee shall furnish information relating to the background and qualifications of all such nominees at least two weeks prior to the Board meeting at which an election or appointment is scheduled to take place. The Committee shall also maintain a profile of the backgrounds of current board members and annually review the effectiveness and

performance of: officers; those Directors who are eligible for re-election; and the board as a whole. The Committee shall develop and administer a program of orientation for newly elected Directors. It shall report to the Board of Directors at the annual meeting and otherwise as circumstances require.

Section 9 Marketing, Development and Communications Committee: The Committee shall be responsible for designing and implementing strategies for accomplishing annual fund-raising goals. It shall access prospective individual, corporate, and organizational donors, and shall involve the Board in carrying out fund-raising activities. It shall develop and review contracts involving fund-raising, and coordinate its efforts with the Finance Committee. The Committee shall develop and implement public education programs, which are necessary to enable the Corporation to carry out its purposes. It shall regularly report on its activities to enhance the public's awareness of the needs of and programs for individuals with intellectual disabilities

Section 10 Athlete Development Committee: The Committee shall oversee the sub-committees responsible for carrying out the mission of Special Olympics, including, but not limited to, athlete recruitment and retention, sports management, athlete leadership programs, healthy athletes programs, and family initiatives.

## ARTICLE XII

### INDEMNIFICATION

Section 1. Each Director and officer of the Corporation shall be indemnified against all expenses actually and necessarily incurred by such Director or officer in connection with the defense of any action, suit, or proceeding to which he has been made a party by reason of being or having been such Director or officer except in relation to matters as to which such Director or officer shall be adjudicated in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty.

## ARTICLE XIII

### CONFLICT OF INTEREST

Section 1. A Director shall be considered to have a conflict of interest if (a) such Director has existing or potential financial or other interests which impair or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of his responsibilities to the Corporation, or (b) such Director is aware that a member of his or her family (which for purposes of this paragraph shall be a spouse, parents, siblings, children and any other relative if the latter reside in the same household as the Director), or any organization in which such Director (or member of his family) is an officer, Director, employee, member, partner, trustee, or controlling stockholder, has such existing or potential financial or other interests. All Directors shall disclose to the Board any possible conflict of interest at the earliest practicable time. No Director shall vote on any matter, under consideration at a Board or committee meeting, in which such Director has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the

Director having a conflict of interest abstained from voting. Any Director who is uncertain whether a conflict of interest may exist in any matter may request the Board or committee to resolve the questions by majority vote.

## ARTICLE XIV

### DISCRIMINATION PROHIBITED

Section 1. In administering its affairs, the Corporation shall not discriminate against any person on the basis of race, creed, color, sexual orientation, national or ethnic origin, sex, age or disability.

#### **Section 3.NC02     Grievance System**

The Special Olympics North Carolina Board empowers the SONC President and in turn the Staff to manage the Organization in safe and quality manner in order to achieve the mission of the movement. During the course of this work, suggestions, questions and or grievances may arise. The purpose of this policy is to ensure a process exists so that a timely response is provided to all inquiries from the public at large or any of the Special Olympics stakeholders. SONC encourages the use of this process because it can lead to enhanced communication on a larger scale with everyone involved in the Special Olympics movement.

Exceptions to the process:

- \* Employees of SONC should follow the grievance policy provided in the SONC Employee Handbook.
- \* Challenges to sports rules during actual competition much follow the Protest Procedures provided in the Special Olympics Sports Rules books and/or SONC Operating Policy Section 7.NC05.
- \* Changes to sports rules can be submitted following the instructions provided in Section J of the Official Special Olympics Summer/Winter Sports Rules regarding procedures for adopting sports rules, amendments, modifications and definitions.

#### **Section 3.NC03     Travel Representing SONC**

All persons wishing to travel out of state for Special Olympics activities must receive prior approval by the President. The process for approval includes written notification which outlines the purpose of the travel, date and location of the travel, budget required, individuals participating and information on the organization issuing the invitation. This written notification should be sent to the President no less than twelve weeks prior to the requested departure date. The decision of the President on approval or disapproval shall be accepted and final.

### **Section 3.NC04     Policy Violation Procedures**

Allegations that any volunteers, coaches, or athletes violated any of SONC policies will be handled as set forth herein.

Allegations must be submitted in writing from the accusing party to the SONC president. The SONC president will authorize an investigation of the allegations by individuals deemed appropriate to handle. As part of the investigation process, the accused individual(s) will be informed of the allegations and allowed to present their side of the situation.

The president has the responsibility to keep the Board of Directors informed about any policy violation based on the severity of the violation. A decision on how to handle the violation may include any of the following actions:

- Dismiss the allegation and issue a statement that indicates such.
- Issue a statement of concern with suggestions for improvement.
- Issue a formal reprimand with an outline for improvement.
- Place the individual(s) on probation for up to twelve (12) months and issue an outline for improvement.
- Restrict the individual(s) from participation in Special Olympics activities for up to twelve (12) months and issue an outline for improvement that would allow the individual(s) to be placed on probation at the completion of the restrictions.
- Restrict the individual(s) from participation in any Special Olympics activities indefinitely.

The individual(s) will be notified by the President or his/her representative in writing of the official decision and action. Decisions are final.

### **Section 3.NC05     Board Representation/Travel**

From time to time board members may be asked to travel on behalf of the organization. The Chairman of the Board shall be the official representative of the Board at all functions. He/she shall travel at the organization's expense.

The Chairman may ask other members of the Board to also serve as representatives, either in his/her stead or as additional representatives. The extent of expenses to be paid by SONC will be at the discretion of the Chairman based on the budget.

All travel by Board members should be noted during regular Board meetings. The Chairman should either note his/her plan to attend, name a proxy or otherwise name attendees for the benefit of being recorded in the minutes.

### **Section 3.NC06     Publication Projects**

All publication projects including , but not limited to, newsletters, brochures, flyers, pamphlets, handbooks, souvenir programs, web sites, etc., that bear the Special Olympics logo and/or credit line must be submitted in written proposal format to the vice president of communications for approval. This approval will ensure that all publications accurately portray the Special Olympics message and follow Special Olympics style guidelines, and to prevent duplicated efforts in publication projects.

- Prior to developing a final draft of a publication, a written proposal and draft of the publication must be submitted to the vice president of communications for approval.
- The written proposal should include the following information about the publication: purpose, intended audiences, number of copies, length of time the publication will be used, date publication is needed, budget and method of covering expenses.
- The proposal should be submitted no less than eight weeks prior to the proposed date needed.
- The vice president of communications will review the proposal and will note "Approved" or "Not Approved" and return within one week.
- If "Approved", the vice president of communications will have approval of all final drafts.
- If "Not Approved", the vice president of communications will work with the proposal's originator to suggest an alternative plan, if one is available.
- The vice president of communications may delegate this responsibility for approval as he/she deems appropriate.
- Continuation of a "Not Approved" project will result in implementation of the policy violation procedures (Section 3.NC04).

### **Section 3.NC07     Video Projects**

All video projects, including documentaries and television programs, that bear the Special Olympics logo and/or credit line must be submitted in written proposal format to the vice president of communications for approval. This approval will ensure that all video/documentary/television projects accurately portray the Special Olympics message and follow Special Olympics style guidelines, and will prevent duplicated efforts in video/documentary/television projects.

- The written proposal should include the following information: purpose, intended audiences, length of time the video will be used, actual length of video, budget, method of covering expenses, script or a summary of the video's story.
- The proposal should be submitted no less than six months prior to the proposed date needed.
- The vice president of communications will review the proposal and will note "Approved" or "Not Approved" and return within one week.
- If "Approved", the vice president of communications should be consulted during all aspects of the project.
- If "Not Approved", the vice president of communications will work with the proposal's originator to suggest an alternative plan, if one is available.
- The vice president of communications may delegate this responsibility for approval as he/she deems appropriate.
- Continuation of a "Not Approved" project will result in implementation of the policy violation procedures (Section 3.NC04).

### **Section 3.NC08     Director’s & Officers Insurance**

Any deductible that is applicable as a result of a claim against the organization and/or its board members and officers, who are acting on behalf of the organization, under the Special Olympics Directors and Officers Insurance Policy will be the responsibility of Special Olympics North Carolina, Inc. and will not be the personal responsibility of individual board members.

### **Section 3.NC09     Records Retention Schedule**

	<b>Retention Period (years)</b>
Accidents reports/claims (settled cases)	7
Accounts payable ledgers and schedules	7
Accounts receivable ledgers and schedules	7
Athlete Participation Forms	Permanently
Audit reports	Permanently
Bank reconciliations	2
Bank statements	3
Capital stocks and bond records: Ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently
Cash books	Permanently
Charts of accounts	Permanently
Checks (canceled - see exception below)	7
Checks (canceled for important payments. i.e. taxes, purchases of property, special contracts, etc. Checks should be filed with the papers pertaining to the underlying transaction.)	Permanently
Coaches Certifications	As determined by SOI Policy
Competition Results	Permanently
Contracts, mortgages, notes, and leases (expired)	7
(still in effect)	Permanently
Correspondence (general)	2
Correspondence (legal and important matters only)	Permanently
Correspondence (routine) with customers and or vendors	2
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	2
Employment applications	3
Expense analyses/expense distribution schedules	7
Financial statements (year-end, other optional)	Permanently
Garnishments	7
General/private ledgers, year-end trial balance	Permanently
Insurance policies (expired)	3
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports (longer retention periods may be desirable)	3

Internal reports (miscellaneous)	3
Inventories of products, materials, and supplies	7
Invoices (to customers, from vendors)	7
Journals	Permanently
Minute books of directors, stockholders, bylaws, and charter	Permanently
Notes receivable ledgers and schedules	7
Patents and related papers	Permanently
Payroll records and summaries	7
Personnel files (terminated)	7
Petty cash vouchers	3
Property records, inc. costs, depreciation reserves, year-end trial balances, depreciation schedules, blueprints, and plans	Permanently
Retirement and pension records	Permanently
Stock and bond certificates (canceled)	7
Subsidiary ledgers	7
Tax returns and worksheets, revenue agents' reports, and other documents relating to determination of income tax liability	Permanently
Time books/cards	7
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Volunteer Registrations	Permanently
Vouchers for payments to vendors, employees, etc. (inc. allowances and reimbursement of employees, officers, etc. for travel and entertainment expenses)	7
Waivers of Participation	7
Withholding tax statements	7

## **Section 3.NC10      Code of Ethics and Conflict of Interest**

### **Honest And Ethical Conduct**

Integrity is an important core value to Special Olympics North Carolina, Inc. We strive to be worthy of the trust placed in us by our athletes, volunteers, donors, and business partners by being straightforward and honest. Accordingly, it is critical to the current and future success of SONC that our actions always be above reproach and that SONC's best interests be the focus of all the decisions we make and the actions we carry out. As an employee or volunteer of SONC, you are expected to act ethically and in good faith, with honesty and integrity, when engaging in business or volunteer activities on behalf of Special Olympics or in connection with SONC's donors, business and operations.

### **Adhering To The Law**

We have to earn the trust and confidence of our athletes, volunteers, donors, and business partners each and every day. It is therefore critical that you conduct your professional and personal life in a responsible manner and abide by all federal and state laws, rules and regulations. You also should not take any action, either personally or on behalf of SONC, which will violate any law and/or Special Olympics policy, rule or regulation.

### **Confidential Information**

As set forth in the SONC Confidentiality Agreement, you must agree to maintain and protect the confidentiality of all of SONC's Confidential Information (as defined below) at all times during and after your service to SONC, except as otherwise used or disclosed in the course of performing your duties for SONC. Confidential Information includes, without limitation, medical histories, volunteer and/or athlete personal histories and records, financial information and data regarding SONC, and individual personnel information.

### **Proper Accounting And Record Keeping**

You are also expected to record and report financial transactions and operating information fully, accurately and honestly. All travel expenses, credit card transactions and other requested reimbursements must be supported by adequate documentation, and no relevant information is to be omitted, altered or concealed. Business and financial records are to be retained in accordance with federal and state laws. Documents should never be altered or destroyed in anticipation of an internal or external audit or in response to a request for such documents by any government or regulatory agency or court of law.

### **SONC Property**

SONC's assets, equipment, vehicles, facilities, resources and other property represent a substantial investment and are to be used by you for the sole purpose of carrying out work or volunteer related activities for SONC. Unauthorized use of such property to further your own or others' personal, business or financial interest is strictly prohibited, whether during or outside of regular work hours and regardless of whether such property is owned, leased, rented or otherwise held by SONC.

### **Conflicts of Interest**

Each of us has an obligation to avoid conflicts of interest involving SONC and its business. A potential "conflict of interest" arises when you have an interest in any business or property or an obligation to any person or entity that could affect, or appear to affect, your judgment in fulfilling your responsibilities to SONC, its donors,

business partners or participants. A potential conflict of interest may also arise when you are in a position to influence a decision that may result in direct or indirect financial or other personal gain or advantage for you or your immediate family as a result of SONC's business dealings.

You are required to disclose all conflicts or potential conflicts of interest to the SONC President in writing at the time you are hired or accept a volunteer position with SONC *and/or* as soon as possible after any actual or potential conflict of interest arises so that appropriate safeguards can be established to protect all parties.

### **Community Involvement**

SONC encourages employees to participate in civic and charitable activities. Any activities, or assignments within such activities, that are likely to significantly encroach on working time, interfere with regular job duties, adversely affect the quality of work performed, involve use of SONC's equipment, supplies, or facilities, imply SONC's sponsorship or support of a company, or adversely affect SONC's good name, either must be avoided or approved by your supervisor and the SONC President prior to acceptance.

While SONC may support certain charitable organizations, employees and/or volunteers may not coerce other employees and/or volunteers into contributing to such organizations.

### **Violations And Disclosure**

Suspected violations of this policy will be investigated and every violation will be considered valid grounds for corrective action, up to and including termination of employment or volunteer status. Failure to comply with the standards contained in this policy may also result in criminal prosecution and reimbursement to SONC or other parties for losses or damages resulting from such violation.

You are also expected to remain alert to situations that could cause illegal, unethical or improper actions under this policy and to report such situations and any violations or suspected violations of this business practices document, other SOI and SONC policies and procedures, or any applicable law or regulation to the SONC President or Chairman of the SONC Board of Directors as soon as it is discovered. All such reports will be treated confidentially to the extent practicable under the circumstances and in accordance with SONC's legal obligations.

No one has the authority or right to order, direct, request or influence someone else to violate the conditions set forth in this document or the law. In addition, any retaliation or threat to retaliate against any employee for refusing to violate this policy or for reporting in good faith a violation or suspected violation is itself a violation of this policy, may be a violation of the law, and will not be tolerated.

If you have any questions about this policy or are uncertain whether an action you are about to take is appropriate, contact your supervisor or the SONC President.

### **Section 3.NC11 Transporting injured/sick persons from SO events to the hospital**

If an injured or sick person needs medical treatment as a result of an injury sustained or becoming sick during a Special Olympics event (training session or competition), it is the recommendation of Special Olympics North Carolina that transportation of the injured or sick person be handled by a professional ambulance service.

Volunteer medical personnel are available during competitions. When you arrive at the location of the competition for which you are volunteering, make note of where medical volunteers are located or how they can be reached. If an athlete, spectator, or volunteer becomes sick or injured at a competition, do not attempt to move or treat him or her. Rather, contact the nearest medical personnel immediately. If you are unable to contact on-site medical personnel, contact 9-1-1 for emergency medical services.

### **Section 3.NC12     Identity Theft Prevention Policy**

The Special Olympics North Carolina, Inc. Identity Theft Prevention Policy provides guidance to the Organization on procedures to comply with North Carolina law regarding prevention of identity theft. This policy emphasizes the provisions and requirements most applicable to Special Olympics North Carolina, Inc. based on North Carolina law.

#### **1.     Definitions**

"Authorized Agent" means any Employee, Volunteer, or any independent contractor or other third party authorized by Special Olympics North Carolina, Inc. to have access to Personal Information.

"Corporate Task" means any of the following:

- (a) Processing charitable contributions.
- (b) Conducting screening procedures and background checks in connection with hiring or retaining Employees and Volunteers.
- (c) [Collecting information regarding athletes and other participants].

"Disposal" means:

- (a) The discarding or abandonment of Records containing Personal Information.
- (b) The sale, donation, discarding, or transfer of any medium, including computer equipment or computer media, containing Records of Personal Information, or other nonpaper media upon which Records of Personal Information are stored, or other equipment for nonpaper storage of Personal Information.

"Employee" means any full or part-time employee of Special Olympics North Carolina, Inc.

"Personal Information" means any of the following:

- (a) First and last names or initials (unless already publicly available) of individuals.
- (b) Social security numbers or employer taxpayer identification numbers.
- (c) Driver's license numbers, state identification card numbers or passport numbers.
- (d) Checking account numbers.
- (e) Credit card numbers.

- (f) Debit card numbers.
- (g) Personal Identification Codes as defined in N.C.G.S. 14-113.8(6) (for example, a numeric and/or alphabetical code assigned to the cardholder of a financial transaction card by the issuer to permit authorized electronic use of that card).
- (h) Electronic identification numbers, electronic mail names or addresses, Internet account numbers, or Internet identification names.
- (i) Digital signatures.
- (j) Any numbers or information that can be used to access a person's financial resources.
- (k) Biometric data.
- (l) Fingerprints.
- (m) Passwords.
- (n) Parent's legal surname prior to marriage.

"Records" means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved, regardless of physical form or characteristics.

"Security Breach" means an incident of unauthorized access to and acquisition of unencrypted and unredacted Records or data containing Personal Information where illegal use of the Personal Information has occurred or is reasonably likely to occur or that creates a material risk of harm to a consumer. Any incident of unauthorized access to and acquisition of encrypted records or data containing Personal Information along with the confidential process or key shall constitute a security breach. Good faith acquisition of Personal Information by an Authorized Agent for a Corporate Task is not a security breach, provided that the Personal Information is not used for a purpose other than a lawful purpose of the business and is not subject to further unauthorized disclosure.

"Volunteer" means any volunteer approved by Special Olympics North Carolina, Inc. to participate in activities and events conducted by Special Olympics North Carolina, Inc.

2. **Collection of Personal Information:** Unless necessary to further a Corporate Task, and then only to the extent necessary to complete that specific and discrete Corporate Task, Authorized Agents shall not solicit, collect or procure any Personal Information.

3. **Storage of Personal Information:**

- (a) Personal Information shall not be made available to any third party for any reason without first contacting the SONC President/CEO or his designated representative. Each Authorized Agent shall make every reasonable effort to ensure that Personal Information:
  - (i) is stored in a secure manner; and
  - (ii) shall only be made available to the Authorized Agent(s) who need such Personal Information in order to complete a Corporate Task.

(b) Social Security numbers are particularly sensitive information. To the extent it is necessary to collect and use Social Security numbers in connection with a Corporate Task, the following internal procedures shall be followed by Employees and Volunteers:

- (i) As with all other Personal Information, do not communicate or make available Social Security numbers to a third party outside Special Olympics North Carolina, Inc. without first contacting the SONC President/CEO or his designated representative;
- (ii) Social Security numbers shall not be used, printed, or embedded on any identification or access card issued to an individual;
- (iii) Social Security numbers shall not be solicited using the Internet or via other electronic methods of communication unless it is via a secure connection;
- (iv) Social Security numbers shall not be used as passwords to access information via the Internet (unless used in conjunction with another password); and
- (v) Social Security numbers shall not be printed on any mailed materials in such a way that the numbers are visible on the exterior of the materials (unless otherwise required to do so under federal or state law).

4. **Disposal of Personal Information:** When disposing of Personal Information, Authorized Agents shall take reasonable measures to protect against unauthorized access to or use of the Personal Information, including, but not limited to, the following actions:

- (a) Burning, pulverizing or shredding papers containing Personal Information so that such Personal Information cannot be practicably read or reconstructed.
- (b) Destroying or erasing electronic media and other nonpaper media containing Personal Information so that such Personal Information cannot practicably read or reconstructed.

5. **Security Breach:** In the event of a Security Breach, please immediately contact the SONC President/CEO or his designated representative.

### **Section 3.NC13 Whistle Blower Policy**

All Special Olympics North Carolina employees and volunteers are encouraged to report either orally or in writing to their immediate supervisor, or alternate line of authority as hereinafter described, all evidence of activity by a Special Olympics North Carolina, Inc. department, employee, or volunteers that may constitute:

- Instances of Fraudulent or Unethical Business Conduct (as defined below);
- A violation of Local, State or Federal laws; or
- Substantial and specific danger to a person's health and/or safety.

Anyone who in good faith reports such incidents as described above will be protected from threats of retaliation, discharge, or other types of discrimination. In addition,

no employee or volunteer may be adversely affected because the employee or volunteer refused to carry out a directive which, in fact, constitutes corporate fraud or is a violation of Local, State or Federal laws.

Any employee or volunteer who wants to report evidence of alleged improper activity as described should contact his/her immediate supervisor, or the supervisor's manager. In instances where the employee or volunteer is not satisfied with the supervisor or manager's response, or is uncomfortable for any reason addressing such concerns to their supervisor or the manager of such supervisor, the employee or volunteer may contact the President/CEO of SONC.

If the employee or volunteer is uncomfortable for any reason contacting the President/CEO, the employee or volunteer may contact the Chairman of the SONC Board of Directors. The contact information for the President/CEO and Chairman of the Board will be posted on the SONC web site at [www.sonc.net](http://www.sonc.net).

Employees/volunteers are encouraged to provide as much specific information as possible including names, dates, places, and events that took place, and the perception of why the incident(s) may be improper activity.

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

Whistle-blowers must be cautious to avoid Baseless Allegations (as described in the definitions section of this policy).

## **Definitions**

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by SONC, and/or legal claims by individuals accused of such conduct.

Fraudulent or Unethical Business Conduct: A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents;
- unauthorized alteration or manipulation of computer files;
- fraudulent financial reporting;
- pursuit of a benefit or advantage in violation of the SONC *Conflict of Interest Policy*;
- misappropriation or misuse of Special Olympics resources, such as funds, supplies, or other assets;
- authorizing or receiving compensation for goods not received or services not performed; and
- authorizing or receiving compensation for hours not worked.

## Article 4

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### Governance and Operation of Accredited Sub-programs

#### **Section 4.NC01     Contract Review**

All contracts and/or agreements entered into by Special Olympics North Carolina Inc., including those originated at the sub-program level, must be submitted to the SONC President for review. If approved, the President, a designated staff member or a Board officer will be the only authorized individuals to sign/authorize any contract or agreement. Contracts/agreements should be submitted at least six weeks prior to the date needed. This minimum six-week period will allow for the proper legal, budgetary and risk management review.

#### **Section 4.NC02     Prohibition of Recreational Swimming in Conjunction with SO Events**

No person, including but not limited to athletes, chaperones, volunteers, coaches and staff, shall be permitted to swim for recreational purposes during any official Special Olympics North Carolina event. ("Event" is defined as any competition, training session or other activity being held in the name of Special Olympics.)

The intent of this policy is to prevent harm, injury and/or death that could result from recreational swimming in conjunction with Special Olympics events at any location.

Any infraction of this policy should be reported to the SONC president.

Temporary changes or alterations to this policy can be made only at the discretion of the SONC president.

Infraction of this policy may result in one or more of the disciplinary actions spelled out in Article 3, Section 3.NC04.

#### **Section 4.NC03     Balloon Guidelines**

In order to support a cleaner and safer environment, SONC and its sub-programs will not release balloons of any type in the open air in conjunction with any Special Olympics event.

In accordance with SONC policy:

- Balloons may be released inside, but not outside.
- Tethered balloons may be used to make archways or other appropriate decorative displays.
- It will be considered appropriate for balloons to be given to the athletes.

#### **Section 4.NC04     Property Ownership by Accredited Sub-programs**

Only accredited sub-programs may submit written requests, outlining all details, to the SONC President for approval by the SONC Board of Directors for the purchase or donation of property. The minimum value must be at least \$1,000. (Property is defined as any single item such as vehicles, computers, land, buildings, etc.) Property that is approved by the SONC Board will become the legal property of Special Olympics North Carolina Inc., and will be subject to terms provided by the

organization. These terms will be outlined on a case by case basis depending on the property ownership. No property can be jointly owned with another organization unless approved by the SONC Board of Directors.

# Article 5

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## Accreditation of Special Olympics Sub- programs

## **Section 5.NC01      Accreditation of Sub-programs**

SONC will annually accredit sub-programs throughout the state of North Carolina for the purpose of carrying out the mission of the organization. The accreditation year is September 1 through August 31 of each year in order to line up with the typical program years.

To become accredited, the following must occur:

- The sub-program representative, known as the coordinator, must attend the SONC Leadership Conference. If attendance is not possible, the coordinator must work with his/her Community Resource Director to have an alternative representative present. The Community Resource Director must authorize the alternate representative.
- The coordinator must submit required documentation for accreditation according to the accreditation timeline provided. This includes information about local athlete participation, leadership volunteers, budget and in-kind donations.
- In June of each year, the Community Resource Directors send all recommendations to the Vice President of Community Resources who then sends them to the Senior Vice President and President:
  - Full Accreditation – authorization the use of the Special Olympics name and logo by the sub-program coordinator with limited rights and authority granted by SONC.
  - Provisional Accreditation – giving the sub-program the rights and privileges of an accredited sub-program while it works to correct deficiencies noted in a letter of provisional accreditation.
  - Non-Accreditation – denying the sub-program the use of the Special Olympics name and trademarks for use in programming or fund raising. This action would imply simply that the activities taking place in a sub-program are not consistent with the mission and philosophy of Special Olympics. In the event that non- accreditation is recommended, the appropriate Community Resource Director will make visits to the community either to assist in developing appropriate activities or to recruit new leadership in the community to carry on the mission of Special Olympics in that location.

# Article 6

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## Special Olympics Athletes

## **Section 6.NC01     Identification of Athletes Who Are HIV+**

All information and records, whether publicly or privately maintained, that identify a person who is HIV+ shall be strictly confidential and may only be released under certain circumstances as set forth in N.C. Gen. Stat. § 130A-143. Therefore, this information may not be disclosed to any volunteer, athlete, or any other individual or entity without the written consent of the Special Olympics athlete or the athlete's guardian if the athlete is not legally competent to provide consent.

If Special Olympics learns that an athlete is HIV+ through sources other than the Special Olympics Athlete Participation Form, Special Olympics will require the athlete to provide an updated Special Olympics Athlete Participation Form indicating current health status within one month of notification by Special Olympics. Failure of the athlete to reply will result in automatic suspension until the form has been updated.

## **Section 6.NC02     Athletes with Criminal Backgrounds**

As an expectation for accreditation fulfillment, Special Olympics International requires US Programs to have a written policy relative to athletes who have criminal records.

Special Olympics is an athlete-centered movement that welcomes athletes with intellectual disabilities of all abilities to participate in sports training and competition. Special Olympics is inclusive for all persons with intellectual disabilities over the age of eight and offers a Young Athletes program for individuals with intellectual disabilities under the age of eight.

The health and safety of all Special Olympics participants is of paramount importance to Special Olympics. Participants should feel that every Special Olympics event is a safe and positive experience and should not be fearful of other athletes, coaches or volunteers.

Because of our inclusive philosophy, the issue of how to treat athletes who have been convicted of violent crimes or who engage in violent, abusive, or disruptive behavior is particularly sensitive. Special Olympics Programs must balance the principles of inclusiveness and of providing a safe environment for all athletes, volunteers and staff members.

Special Olympics North Carolina is not required by Special Olympics International to conduct criminal background reviews of its registered or potential athletes. However, it may become necessary in certain instances when Special Olympics North Carolina is made aware that an athlete may have criminal record that a criminal background review is conducted.

Athletes who apply to volunteer for Special Olympics North Carolina must be treated the same as all other volunteer applicants. Therefore, if the athlete is applying to be a Class A volunteer, the athlete is subject to the Special Olympics US Volunteer Screening Policy (SONC Policy Section 7.NC01).

If an individual with intellectual disabilities is rejected by a Program as a volunteer because of SONC Policy Section 7.NC01, that individual may still apply to be an athlete, in which case the Program would evaluate the individual in compliance with

its policy on athletes with criminal records (SONC Policy Section 6.NC02) and/or violent/abusive behaviors (SONC Policy Section 6.NC03).

Special Olympics North Carolina will thoroughly review each situation where it is found that an athlete has a criminal record so that appropriate and reasonable precautions to protect the health, safety and rights of all who participate in Special Olympics are considered.

Special Olympics North Carolina is not obligated by law to permit a potential athlete with a criminal record to participate. After a review of a situation, if Special Olympics North Carolina decides that the athlete should not participate, Special Olympics North Carolina will be acting prudently within its rights as an accredited Special Olympics Program, even if the athlete or his/her family may be unhappy with the decision.

During a review of an athlete who has been identified as having a criminal record, Special Olympics North Carolina will rely on guidance provided by SONC Policy Section 7.NC01 on Volunteer Screening Policy while at the same time determining the severity of an incident and what, if any, action needs to be taken.

The following criteria will be used on a case-by-case basis and at a minimum when a decision is being made about the athlete's continued role in Special Olympics in North Carolina:

1. **Type of offense:** Violent behavior that damages property, while not to be ignored, should not be accorded the level of seriousness as behavior that injures or is intended to injure a person, such as a physical assault or sexual assault.
2. **Recency of the offense:** A recent offense/incident is of greater concern than one that took place many years ago, assuming no further incidents have occurred, because consideration will be made that an individual can change and merit re-evaluation.
3. **Number of offenses:** Consideration will be given for multiple offenses/incidences of a similar nature, As compared to those that are a few isolated incidences.
4. **Compliance with previous conditions imposed:** Consideration will be given in the event an athlete has complied with the terms during supervised release, probations or suspended periods.
5. **Athlete Capacity to understand:** Consideration will be given based on the athlete's ability to understand their offense. Making this determination, if possible, can help determine if the athlete understood his/her conduct at the time of the offense/incident.
6. **Medication:** Consideration will be given regarding medication being the cause of the situation, either through its omission or its effect on the athlete.

#### **Options for continued participation**

Once the investigation is completed, the SONC President or his designated representative will exercise one or more of the following options in the interest of

protecting its athletes, volunteers and staff. The options are not in a particular order but rather provide staff and volunteers guidance on how best to respond.

1. Allow the athlete to participate on a probationary basis.

Probationary status gives SONC management, the athlete, and the family a chance to review conduct on a systematic basis and to make any changes. The athlete and the family, care-giver or guardian will be informed from the outset that participation is conditional upon continued satisfactory behavior, what the probationary period is, and the system for review.

2. Ensure there is a one-on-one volunteer to chaperone the athlete.

SONC may ensure that there is a one-on-one volunteer to chaperone an athlete with a history of sexual abuse. The volunteer must be informed of the athlete's past behavior (without violating any privacy laws) and should be capable of helping the athlete avoid situations that may trigger unacceptable behavior. If the athlete participates as part of a group home or other type of facility, SONC may require that the home or facility provide the volunteer.

3. Require the athlete attend counseling or anger management courses.

Athletes exhibiting certain types of behavior may respond well to counseling services including anger management, stress reduction or psychotherapy. SONC cannot provide these services; however, it can be required by Special Olympics that athletes attend such meetings or sessions as a condition of participation. This option may be combined with other options, and will be monitored by a person designated by SONC to ensure compliance/progress.

4. Prohibit athletes with histories of sexual abuse or violent behavior from overnight trips.

Prohibition from travel is less desirable than assigning a one-on-one volunteer to an athlete who has previously engaged in inappropriate sexual behavior or violent behavior, but would be appropriate when the risk to others cannot be sufficiently eliminated by a chaperone.

5. Restrict the sports in which an athlete may compete.

Some sports, such as floor hockey and basketball, involve physical contact and emotion that can agitate an athlete to the point that he/she has a violent reaction. One option is to steer the athlete into sports such as track or aquatics with a lower likelihood of physical contact.

6. Suspend the athlete temporarily.

A temporary suspension for a defined period of time may be the best solution depending on the seriousness of the behavior, in which case SONC will make clear to the athlete and family/guardian what steps must be taken for reinstatement, including when the review will take place, by whom, and what factors will be considered.

7. Expel the athlete from or deny participation in Special Olympics.

Expulsion is the last and least desirable option inasmuch as it is the harshest for an athlete. Thus, expulsion or denial of participation may be subject to due process safeguards as outlined in the SONC policy on Policy Violation Procedures (Section 3, NC04) of the SONC Operating Policies, in order to protect the athlete and Special Olympics.

## **Section 6.NC03     Athletes exhibiting inappropriate behavior**

Any registered Special Olympics North Carolina athlete suspected of engaging in behavior that is unwanted or threatening to others, including but not limited to unwanted sexual advances, physical and/or verbal abuse, theft or any other potentially violent behavior may be suspended from participation in Special Olympics during an investigation of the incident.

Once the investigation is completed, the SONC President or his designated representative will exercise one or more of the following options in the interest of protecting its athletes, volunteers and staff. The options are not in a particular order but rather provide staff and volunteers guidance on how best to respond to the situation.

### **Allow the athlete to participate on a probationary basis.**

Probationary status gives SONC management, the athlete, and the family a chance to review conduct on a systematic basis and to make any changes. The athlete and the family, care-giver or guardian will be informed from the outset that participation is conditional upon continued satisfactory behavior, what the probationary period is, and the system for review.

### **Ensure there is a one-on-one volunteer to chaperone the athlete.**

In the case of a nonviolent athlete, SONC may ensure that there is a one-on-one volunteer to chaperone an athlete with a history of sexual abuse. The volunteer must be informed of the athlete's past behavior (without violating any privacy laws) and should be capable of helping the athlete avoid situations that may trigger unacceptable behavior. If the athlete participates as part of a group home or other type of facility, SONC may require that the home or facility provide the volunteer.

### **Require the athlete attend counseling or anger management courses.**

Athletes exhibiting certain types of behavior may respond well to counseling services including anger management, stress reduction or psychotherapy. SONC cannot provide these services; however, it can be required by Special Olympics that athletes attend such meetings or sessions as a condition of participation. This option may be combined with other options, and will be monitored by a person designated by SONC to ensure compliance/progress.

### **Prohibit athletes with histories of sexual abuse or violent behavior from overnight trips.**

Prohibition from travel is less desirable than assigning a one-on-one volunteer to an athlete who has previously engaged in inappropriate sexual behavior or violent behavior, but would be appropriate when the risk to others cannot be sufficiently eliminated by a chaperone.

### **Restrict the sports in which an athlete may compete.**

Some sports, such as floor hockey and basketball, involve physical contact and emotion that can agitate an athlete to the point that he/she has a violent reaction. One option is to steer the athlete into sports such as track or aquatics with a lower likelihood of physical contact.

### **Suspend the athlete temporarily.**

A temporary suspension for a defined period of time may be the best solution depending on the seriousness of the behavior, in which case SONC will make clear to the athlete and family/guardian what steps must be taken for reinstatement, including when the review will take place, by whom, and what factors will be considered.

### **Expel the athlete from or deny participation in Special Olympics.**

Expulsion is the last and least desirable option inasmuch as it is the harshest for an athlete. Thus, expulsion or denial of participation may be subject to due process safeguards as outlined in the SONC policy on Policy Violation Procedures (Section 3, NC04) of the SONC Operating Policies, in order to protect the athlete and Special Olympics.

## **Section 6.NC04     Housing Policy for Special Olympics athletes**

### **INTRODUCTION:**

Special Olympics is an athlete-centered movement that welcomes athletes with intellectual disabilities of all abilities to participate in sports training and competition. Special Olympics is open to persons with intellectual disabilities age eight and older and offers a Young Athletes program for individuals with intellectual disabilities under the age of eight.

The health and safety of all Special Olympics participants is of paramount importance to Special Olympics. Participants should feel that every Special Olympics event is a safe and positive experience and should not be fearful of other athletes, coaches or volunteers.

Arranging housing for overnight events involves the consideration of a variety of factors, including the varying abilities, ages and behaviors of athletes, the availability of housing and the costs associated with overnight accommodations. Special Olympics North Carolina (SONC) has developed and duly adopted the following policy in accordance with the policy recently provided by the Special Olympics Risk Management & Insurance Task Force (RMITF).

### **POLICY**

1. **Gender** – Athletes and volunteers may not share a room with an athlete or volunteer of the opposite sex. The following exceptions may be allowed and will be considered on a case-by-case basis at SONC's discretion.
  - a. Married athletes who are both attending the event as members of a registered delegation. This exception does not apply to the spouse of an athlete who is not participating in the event, but attending solely as a spectator.
  - b. Married volunteers who are both attending the event as members of a registered delegation. This exception does not apply if one of the volunteers is required to share a room with an athlete (other than the

married couple's child), if this scenario will create a situation whereby an athlete is housed with a volunteer of the opposite sex.

- c. Family members of the opposite sex who serve as a one-to-one chaperone for the related athlete.
  - d. Housing in a facility that has multiple private rooms in addition to living space (such as a condominium or dormitory). Both males and females may be assigned to one condominium, if necessary in SONC's discretion, but private rooms may not be shared by individuals of the opposite sex. Chaperones must also be housed in the condominium and the chaperone/athlete ratio (as outlined in the supervision section of the policy) must be maintained.
  - e. Use of barracks or other facility (such as a gym) where a large number of individuals are assigned to one room. Athletes and volunteers must be separated as much as reasonably possible by gender (for example, females on one side of the gym and males on the other side).
2. **Supervision** - The chaperone/athlete ratio of at least one properly registered chaperone to every four athletes must be maintained during overnight events. Proper supervision can be maintained without having a chaperone present in the room at all times. All chaperones must be screened in accordance with the Special Olympics U.S. Volunteer Screening Policy.
  3. **Young Athletes** – Young Athletes events that involve overnight activities require increased supervision and therefore, Young Athletes participants must be accompanied by a properly registered and screened parent, guardian or an adult designated by a parent or guardian at all overnight activities. Rooming assignments for Young Athletes should be separate from the remainder of the delegation, whenever reasonably possible (for example, separate hotel rooms).
  4. **Acknowledgment** – The SONC Athlete Release Form now captures a parent's/guardian's signature acknowledging the possibility for overnight activities and that requests for additional information about the rooming assignments or SONC's housing policy should be directed to SONC. Athletes who are legally responsible for themselves are permitted to provide acknowledgment on their own behalf.

This requirement provides confirmation that the parents/guardians are aware that Special Olympics North Carolina has a policy relative to housing arrangements, empowers the parents/guardians to learn more about the housing practices, and also provides them an opportunity to notify SONC if there are any concerns with the housing arrangements or information about which SONC should be aware.

The timeframe to ensure that acknowledgement is collected for all participants is as follows:

- New athletes (athletes registering for the first time on or after August 27, 2013 must acknowledge (as outlined above) the possibility of overnight stays at the time of their initial registration with SONC.

- Existing athletes (athletes registered prior to August 27, 2013 must acknowledge (as outlined above) the possibility of overnight stays no later than every three years or the due date of each athlete's next athlete medical (whichever comes first) regardless of whether or not such notification is provided via the athlete medical.
5. **Policy Implementation** – The SONC Staff and Local Program Coordinators are responsible for implementing this policy. The Administration Manager ensures that the appropriate paperwork is submitted by Local Program Coordinators as athletes either submit initial registrations or complete renewals. The Logistics Manager is responsible for communicating this housing policy to all Local Program Coordinators as they create their housing/rooming assignments for overnight events. In the case where the Logistics Manager assigns rooms, this housing policy will be utilized.

**BEST PRACTICES** – SONC will endeavor to use the following best practices when making all housing/rooming assignments.

1. **Rooming Assignments** – If athletes will be sharing a room, the following is a list of other items to consider when making room assignments:
  - a. When feasible and appropriate assign athletes based on size, level of maturity, ability and age.
  - b. Assign connecting rooms to those athletes who require additional assistance or supervision if the chaperone will not be in the same room.
2. **Sleeping Arrangements** – Whenever possible, each member of the delegation should be assigned his/her own bed. If bed-sharing is required, an athlete may not share a bed with a chaperone unless the chaperone is a parent or sibling of the athlete and has been screened in compliance with the Special Olympics U.S. Volunteer Screening Policy. The following techniques should be considered to help reduce the number of athletes required to share beds:
  - a. Request cots from the facility to increase the number of beds available.
  - b. Use air mattresses to increase the number of beds available (check with facility to ensure there is not a policy against the use of air mattresses).

If bed-sharing is required, Special Olympics North Carolina may consider having athletes pack sleeping bags and require athletes to sleep in his/her sleeping bag on top of the linens that are provided.

3. **Supervision** - The following includes suggestions for providing athlete housing supervision:
  - a. **Hotels** – Whenever possible, reserve connecting rooms so that chaperones have direct access to the athletes' room(s). If connecting rooms are not available and the chaperone is in a room separate from the athletes for which he/she is responsible:
    - i. Ensure that the chaperone has a key to the athletes' room(s).

- ii. Ensure that the athletes know how to reach the chaperone at all times.
    - iii. When feasible and appropriate, use hall monitors.
  - b. **Condo/Dorm (or other facility with multiple private rooms)** – Whenever possible, leave the interior doors to private rooms open so that chaperones can monitor each room.
  - c. **Barracks (or other facility with a large number of beds in one room)** – Whenever possible, chaperones should be assigned to a location in close proximity to the athlete(s) he/she is supervising.
4. **Family Members** – Prohibit family members from staying in athlete housing unless the family member is an official member of the registered delegation and is screened in compliance with the Special Olympics U.S. Volunteer Screening Policy.
5. **Other considerations** – This housing policy is based on respect and common sense and therefore, Special Olympics North Carolina will handle gay, lesbian, bisexual or transgender housing issues accordingly.

## **6.NC05 Concussion Awareness and Safety Recognition**

### **Objective**

It is Special Olympics' intent to take steps to help ensure the health and safety of all Special Olympics participants. All Special Olympics participants should remember that safety comes first and should take reasonable steps to help minimize the risks for concussion or other serious brain injuries.

### **Defining a Concussion**

A concussion is defined by the Centers for Disease Control ("CDC") as a type of traumatic brain injury caused by a bump, blow, or jolt to the head as well as serial, cumulative hits to the head. Concussions can also occur from a blow to the body that causes the head and brain to move quickly back and forth—causing the brain to bounce around or twist within the skull. Although concussions are usually not life-threatening, their effects can be serious and therefore proper attention must be paid to individuals suspected of sustaining a concussion.

### **Suspected or Confirmed Concussion**

Effective January 1, 2015, a participant who is suspected of sustaining a concussion in a practice, game or competition shall be removed from practice, play or competition at that time, and shall not be permitted to return to practice, play or competition that day. The participant's parent or guardian should be made aware that the participant is suspected of sustaining a concussion and the participant should be evaluated by one of the medical professionals listed below as soon as possible.

### **Return to Play**

A participant who has been removed from practice, play or competition due to a suspected concussion shall not participate in Special Olympics sports activities on the

same day he or she was removed, regardless whether the concussion is confirmed. A participant shall not return to practice, play or competition on a subsequent day until the participant is evaluated and receives written clearance for further participation from one of the following:

1. A physician licensed under North Carolina law with training in concussion management;
2. A neuropsychologist licensed under North Carolina law with training in concussion management and who is working in consultation with a licensed physician;
3. An athletic trainer licensed under North Carolina law;
4. A physician assistant', consistent with the limitations under North Carolina law; or
5. A nurse practitioner, consistent with the limitations under North Carolina law.

In addition to requiring written clearance from one of the professionals listed above, in no event shall a participant with a confirmed concussion be permitted to return to practice, play or competition until seven (7) consecutive days have passed since the participant was removed. Written clearance by one of the listed professionals above shall become a **permanent record**.

### **Required Training and Timeline**

All Coaches are required to complete concussion awareness training, which is available at [www.cdc.gov/concussion](http://www.cdc.gov/concussion) and submit the certificate of completion to Special Olympics North Carolina. For Coaches registering for the first time on or after January 1, 2015, confirmation of such training must be provided to Special Olympics North Carolina prior to the individual beginning volunteer duties. For Coaches registered prior to December 31, 2014, confirmation of such training must be provided to Special Olympics North Carolina no later than December 31, 2015.

U.S. Programs must implement a system for tracking completion of the concussion awareness training by Coaches.

### **Frequency of Training**

Concussion awareness training must be completed by all Coaches at least once every three years.

### **Communication with Parents and Guardians**

SONC will provide a copy of the CDC "Heads Up Concussion" fact sheet for youth sports which describes the signs and symptoms of a concussion and provides guidance for those who suspect that a participant may have a concussion. This Policy and fact sheet shall be distributed annually to all coaches, volunteers, and families to promote continued awareness and education.

The Centers for Disease Control website [www.cdc.gov/concussion](http://www.cdc.gov/concussion) provides additional resources relative to concussions that may be of interest to participants and their families.

# Article 7

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## Special Olympics Sports Training and Competition

## **Section 7.NC01 Volunteer Policy and Procedures**

A person's participation in Special Olympics, as a volunteer is an opportunity and privilege; it is not an entitlement. Although Special Olympics cannot guarantee the safety of all participants, it recognizes the responsibility to take reasonable steps to promote and provide a safe environment for all participants. To that end, after considerable study and investigation, Special Olympics International has developed and adopted a mandatory volunteer screening policy to set certain standards for each of the U.S. programs to follow with regard to both Class A and Class B volunteers.

Special Olympics North Carolina, in order to implement the U.S. Volunteer Screening Policy adopted by Special Olympics Inc. for all U.S. Programs, uses the following policies and procedures.

### **Application Process**

To be considered for participation with Special Olympics in North Carolina, all volunteers must submit a signed, completed and truthful Volunteer Application. Failure to do so may result in rejection of the application, or termination from the Program.

The decision of Special Olympics North Carolina with regard to any volunteer's application rests within the sole and absolute discretion of Special Olympics North Carolina, Inc. (sometimes referred to herein as "SONC"). In exercising that discretion, Special Olympics North Carolina shall be guided by its mission statement, the policy and procedure set forth herein, and the standards set forth in the Special Olympics North Carolina Participation Policy.

### **Volunteer Screening**

#### **Class A Volunteers**

Class A Volunteers are volunteers who have regular, close physical contact with athletes; are in a position of authority or supervision (real or apparent); are in a position of trust of athletes; or handle substantial amounts of cash or other assets of the Program, which is defined as cash of \$1,000.00 or more, or assets with a combined or single value of at least \$1,000.00.

#### 1. **Application Process:**

- All Class A Volunteers shall complete a volunteer screening form and be screened for participation. Once screened and accepted, Class A Volunteers shall be re-screened every three years.
- Each Class A Volunteer shall submit a Volunteer Application and be subject to a criminal records check, and where applicable under this policy, to a motor vehicle record check.
- Motor Vehicle Record Check: If an applicant answers "yes" to the question regarding their driving record on the Volunteer Application, or if the program receives information through the background check that the applicant may have a motor vehicle related conviction(s), then the program shall conduct a motor vehicle record check for that applicant.
- Prospective Class A Volunteers who are under the age of 18, shall not be subject to a criminal records check but must submit the names, addresses, and

telephone numbers of two (2) personal/ professional references (one of which is from the applicant's school, if applicable) for consideration by SONC.

- In conducting the required criminal records check, SONC shall use an SOI-approved vendor who uses a national database that includes the sex offender registry for each US state in which the sex offender registry is available.
  - 2. Required Protective Behavior Training
  - *In addition to volunteer screening, Class A volunteers are required to take Protective Behaviors Training every three (3) years.*
  - Protective Behaviors Training, offered through Special Olympics Inc. , is required of volunteers who will be working closely with athletes and recommended for all volunteers. Covering the do's and don't's of athlete interaction, this training helps protect our athletes and volunteers, and promotes healthy and safe relationships between our many constituents. The course provides information intended to detect and prevent physical, emotional and sexual abuse.

## 2. **Class A Credentials:**

- On the day of each event, the accepted Class A Volunteer shall report to a designated volunteer coordinator for that event and verify his/her identity by way of a photo identification.
- SONC has the option at any time to issue appropriate credentials to a Class A Volunteer that may replace the requirement for a photo ID provided that the credentialing procedure undertaken by SONC ensures that the credentials are issued to an accepted Class A Volunteer and that the credentials are non-transferable.

### **Class B Volunteers**

Class B Volunteers are volunteers who only have limited contact with athletes or who have contact with athletes accompanied by coaches and chaperones.

1. **Application Process:** All Class B Volunteers shall be screened for participation in Special Olympics as follows:
  - Class B volunteers shall apply for participation by submitting a Volunteer Application. Based upon the contents of the application, SONC may conduct additional inquiries as may be appropriate before accepting the applicant as a Class B Volunteer.
2. Prospective Class B Volunteers who are under the age of 18, shall not be subject to a criminal record check but must submit the names, addresses, and telephone numbers of two (2) personal/ professional references (one of which is from the applicant's school, if applicable) for consideration by SONC.  
**Orientation:** All Class B Volunteers shall attend a Class B Volunteer Special Olympics orientation training as directed by Special Olympics North Carolina.
3. **Day of Event:** On the day of each event, the accepted Class B Volunteer shall report to a designated volunteer coordinator for that event and verify his/her identity by way of a photo identification.

### **Disclosure and Authorization Requirements**

1. SONC's standard Volunteer Application will be reviewed periodically by legal counsel to ensure it is in compliance with all applicable North Carolina State laws and regulations.

2. SONC shall use a standard Volunteer Application to obtain the required Special Olympics release and an appropriate authorization to conduct a criminal record background check and if required, a motor vehicle record check.
3. SONC shall take all reasonable steps to notify the local program coordinators, other volunteer leadership and SONC staff about the results of the background checks.

### **Results of the Criminal Background Check**

1. If the criminal background check discloses a conviction (or plea of “no contest” or “*nolo contendere*”) for any offense involving the below-listed conduct, or any offense classified in North Carolina as a Class A, B, C, D, E, F, or G felony (or similar offense in any other jurisdiction), the volunteer applicant shall automatically be disqualified from participation as a volunteer, and shall not have any right of appeal:
  - child abuse
  - sexual abuse of a minor/adult
  - causing a child’s death
  - neglect of a child or any other individual for whom the potential volunteer had/has responsibility
  - any assault against a minor/adult
  - kidnapping
  - physical abuse
  - murder
  - manslaughter
  - felony assault
  - arson
  - criminal sexual conduct
  - identity theft

Note that not all criminal offenses are listed above. Convictions (or plea of “no contest” or “*nolo contendere*”) for criminal offenses not listed above will be reviewed on a case-by-case basis to determine eligibility, in the sole and absolute discretion of the SONC President/CEO.

2. If the criminal background record check or motor vehicle record check discloses a conviction (or plea of “no contest” or “*nolo contendere*”) for driving under the influence of alcohol or drugs, driving while intoxicated, driving while impaired by alcohol or drugs, or comparable offenses within seven years of application, the volunteer applicant shall automatically be disqualified from driving on behalf of SONC, and shall not have any right of appeal.\
3. If the criminal background record check or motor vehicle record check discloses convictions (or plea of “no contest” or “*nolo contendere*”) for three or more moving violations within the three years immediately preceding the record check, the volunteer applicant shall automatically be disqualified from driving on behalf of SONC, and shall not have any right of appeal.
4. If the criminal background record check discloses any of the below-listed circumstances, SONC may reject the volunteer applicant, subject however to the applicant’s right to appeal SONC’s decision as set forth herein:
  - Adverse judgment for damages or civil penalty involving sexual or physical abuse of a minor
  - Conviction (or plea of “no contest” or “*nolo contendere*”) for theft of funds, fraud, larceny or other financial offense, prostitution-related offense, or offense involving a controlled substance

- Being the subject of any court order involving any sexual abuse or physical abuse of a minor that restricts contact with a minor
- Drug trafficking
- Crimes related to arson, identity theft and/or assault occurring at least 10 years prior to the volunteer application will be treated as potential disqualifiers if the person has no other offenses since the original disqualifying event. Applicants with these offenses on their records will have the option to appeal in writing to the CEO/President to be considered for Class A volunteer status.

Note that not all criminal offenses are listed above. Convictions (or plea of “no contest” or “*nolo contendere*”) for criminal offenses not listed above will be reviewed on a case-by-case basis to determine eligibility, in the sole and absolute discretion of the SONC President/CEO.

The rejected volunteer applicant may appeal SONC’s decision to reject the volunteer’s application by written request to the SONC President/Chief Executive Officer. Appeals may be reviewed and considered on a quarterly basis, usually in the months of March, June, September, and December.

To appeal, the rejected applicant must submit within thirty (30) days of receipt of the written rejection notification a written notification to the SONC President/CEO summarizing the reasons the decision should be overturned. The President/CEO may refer the appeal to a designated representative for consideration. SONC’s decision not to accept a volunteer applicant is binding until the appeal is decided by the SONC President/CEO.

5. The designated representative shall present its decisions to the SONC President/CEO for review and consideration.
6. The decision made by the SONC President/CEO, in his/ her sole and absolute discretion, shall be final and binding in all respects.

**Denial of Participation/Revocation of Volunteer Status for Other Reasons**

A volunteer who is deemed to be a threat to the security of any athlete, participant, coach, spectator or other person involved with or attending any SONC event may be barred from such event (and future events) and his or her status as a volunteer with the organization may be subject to revocation in the sole and absolute discretion of the SONC President/CEO.

**Section 7.NC02      Selection of Coaches for Competition Beyond SONC State-Level Competition**

The SONC staff with guidance from the appropriate sport development team will select all coaches needed for competition beyond SONC state-level events. This selection will take into account the person’s knowledge of the sport and the ability to chaperone the athletes that will accompany him/her.

Applicants for coaches slots will be required to be Special Olympics certified in the appropriate sport and a registered volunteer according to the volunteer screening procedures outlined in Article 7, Section 7.NC01. The applicant will also be required to complete an application provided by SONC that will include but not be limited to information on the applicant’s sport background, Special Olympics experience, ability to represent the organization in professional manner and previous chaperoning experience. Additionally, the background investigation procedures outlined in Article 7, Section 7.NC01 will be implemented.

**Section 7.NC03      Quota Distribution for State-Level Competition**

Quota distribution for all state-level events is based on numbers reported by local programs on training rosters.

Process for Determining Athlete Numbers by Sport:

All programs will submit a training roster for each sport season to document all athletes training locally in each sport. This information will enable SONC to prepare for state-level events, submit census information to SOI, and to do longterm planning.

Determining Quota:

Based on the number of athletes a venue and competition schedule can accommodate (as determined by SONC Sport Directors in conjunction with Sport Development/Competition Managers) SONC will determine the total number of athletes the state level competition can efficiently serve. From this number, all programs training in that sport will get the opportunity to request slots. Those requests are then reviewed and individual slots are distributed based on a percentage calculation while team slots are distributed through a random drawing.

## **Section 7.NC04      Competition Protest Procedures**

As in all Olympic-style sport competition, it is the right of any certified coach to file a protest in a situation where he or she feels that their athlete or team had been slighted in a misapplication of the rules. Despite the harsh connotation of the term "protest," filing such a form does not have to be an emotional dispute, but, should be considered a legitimate tool for the coach to seek clarification of an official's ruling.

Some key points:

Before filing a protest, see if the issue might be resolved by speaking directly to the competition manager. Often mistakes in scoring or awards can be corrected on the spot.

Protest forms are available at each venue's information table or by requesting one from the competition manager.

Written protests should be filed no later than 30 minutes after the conclusion of the event (e.g. game/race) being protested and returned to the information table or competition manager from where it was received.

The venue's sports rules committee has 30 minutes to respond to the protest.

If the venue's sports rules committee cannot reach a decision, or if a coach remains unsatisfied with the verdict, he or she may appeal to the overall games rules committee. The ruling of this committee is FINAL.

Despite your "seeing something better than the officials," judgement calls may not be protested if the rule in question is defined as a judgement call. In these situations, the protest will be denied.

Keep emotions in check. Despite the disappointment that often accompanies the urge to file a protest, nothing will be gained by verbally attacking the official in question. Calmly seek clarification, and if unsatisfied, file the protest. Aggressive confrontations receive little sympathy from rules committees and certainly set up the athlete/team for an even more disappointing outcome.

Use the evaluation form. While there are relatively few legitimate protests, there are always areas that can be improved upon regarding a competition, the quality of officials, or the rules themselves. If an issue comes up that concerns you, please take a few minutes to note it on your evaluation form.

## **Section 7.NC05     Volunteer Code of Conduct**

To ensure that both athletes and volunteers have the best experience possible at Special Olympics events, SONC endorses the following Volunteer Code of Conduct:

Every volunteer will...

- ...fulfill the responsibilities of the given assignment.
- ...set a good example for the athletes.
- ...demonstrate good sportsmanship and cooperation.
- ...be vigilant and aware of the safety of the athletes.
- ...refrain from the consumption of alcoholic beverages and non-prescribed, controlled substances.
- ...wear the credential/identification provided by SONC and understand it must be visible during events.
- ...will specifically grant permission to Special Olympics to use the volunteers likeness, voice and words in media for the purpose of public awareness or communicating the purposes and activities of Special Olympics.

## **Section 7.NC06     Minimum Age for Volunteers**

To ensure safe, quality and dignified competition opportunities for Special Olympics athletes, SONC has determined the following minimum age requirements for volunteers:

Head Coaches – The recommended age for head coaches is 21, with a minimum age of 18 at the discretion of the local coordinator. Head coaches may have a variety of responsibilities in the Special Olympics organization extending beyond sport training, including chaperoning, driving, medication disbursement, etc.

Assistant Coaches – The minimum age for assistant coaches is 16. An assistant coach may have some or all of the same responsibilities as a head coach, but is under the authority and direction of the head coach.

Training assistants - The minimum age for training assistants is 11. These young volunteers can help the coaches during practice, but have no authority over the athletes.

Volunteers that travel – The minimum age for volunteers who have travel responsibilities is 16 years of age. Volunteers that travel with a team or delegation take on more responsibility than those who participate on a day-only basis. Often these volunteers are responsible for medications, transporting athletes and equipment, ensuring a good night's rest and that athletes remain safely in their rooms throughout the night.

Event Volunteers – Children and young adults can both benefit from and contribute to the excitement of a Special Olympics event. To honor the efforts of the athletes and ensure that adult volunteers are able to devote their attention to their volunteer duties rather than to childcare, the minimum age for event volunteers is 14. Younger children are encouraged to participate by forming cheer teams, led by an adult, to cheer on and congratulate the athletes.

Fund raising projects/campaigns – Groups of children can learn much about the organization and about contributing to the community by participating in fund drives for volunteer organizations. There is no minimum age for this type of volunteering where the money is managed by an adult.

A local program coordinator may request that an exception to the minimum age rules be made in when the volunteer in question exceptionally mature and responsible. All such exceptions must be approved by the president.

# Article 8

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## Fund Raising and Development

**Section 8.NC01      Sub-program Application for Fund Raising Approval**

Accredited sub-programs must submit an application for fund raising for each fund raising program conducted that is expected to generate \$1,000 or more in gross dollars. Projects occurring from one year to the next do not receive automatic renewal and therefore an application must be submitted each year.

All approved applications will allow SONC to be informed of all fund raising activity benefiting Special Olympics sub-programs, to ensure compliance with North Carolina charitable solicitation laws and guidelines, and to ensure that sub-program fund raising is consistent with the standards and policies established by SONC and SOI.

Applications must be submitted to SONC at least \_\_\_ weeks prior to the start of the fund raising program. Any contracts or letters of agreement between a sub-program and an outside entity must be included for review with the application.

Continuation of a program “not approved” would be grounds for revocation of accredited status.

**Section 8.NC02      Use of Professional Fund Raising Solicitors**

The use of professional fund raising solicitors by accredited sub-programs is strictly prohibited unless specifically approved by the President. (Including direct mail, telemarketing and internet fund raising.)

SONC Inc., through the approval of the Board of Directors, reserves the right to conduct fund raising through direct marketing techniques throughout the state.

**Section 8.NC03      Fund Raising Conducted by Other Organizations for the Benefit of Special Olympics NC**

Organizations wishing to conduct fund raising on behalf of Special Olympics must first obtain the specific authority to use the name Special Olympics from either the SONC office or the appropriate accredited sub-program.

No organization shall use the Special Olympics name or marks in association with any fund raising campaign being conducted by a professional solicitor without approval by the SONC Board of Directors.

Organizations wishing to fund raise or solicit funds in the name of Special Olympics must seek approval from SONC. This approval will be based on specific project goals including but not limited to projected income and expenses submitted in writing.

**Section 8.NC04      Specific Fund Raising Activities Regulated by State Law Pertaining to Bingo Games and Raffles**

All accredited sub-programs must receive approval from the President of SONC when planning activities associated with bingo games and raffles. The use of the sub-program application for fund raising should be used for fund raising programs

pertaining to bingo games and raffles regardless of the gross amount of revenue projected.

## **Section 8.NC05     Planned Giving**

### PURPOSE OF GUIDELINES

The following Guidelines have been prepared by a Planned Giving Task Force created in 1998 by Special Olympics, Inc., pursuant to Section 8.02(i) of the Special Olympics Official General Rules:

#### **Section 8.02.     SOI's Exclusive Authority.**

SOI has the exclusive right and authority to conduct (or to authorize third parties to conduct) any or all of the following activities for the purpose of raising funds for the benefit of SOI and/or Special Olympics:

(i)     **Planned and Deferred Gifts.** To develop uniform written guidelines for soliciting and administering planned or deferred gifts or bequests from members of the general public (the "SO Planned Giving Guidelines") and to authorize the creation of any separate or discrete funds or trusts which seek to pool donations resulting from multi-state or multi-jurisdictional solicitations for ultimate redistribution among two or more Accredited Programs, such as pooled income funds ("**Commingled Fund(s)**"); once SOI develops and issues the SO Planned Giving Guidelines, any Accredited Program may solicit planned and deferred gifts and bequests within its jurisdiction, so long as such solicitations comply with the minimum requirements of the SO Planned Giving Guidelines; in addition, SOI shall develop the SO Planned Giving Guidelines, including guidelines concerning the permitted creation or use of Commingled Funds by Accredited Programs, in collaboration with a Planned Giving Task Force to be appointed by SOI; the Planned Giving Task Force shall include representatives of Accredited Programs with experience or interest in the solicitation of planned or deferred gifts or bequests.

The purpose of these Guidelines is to ensure that the best interests of both the donors and Special Olympics are served. In reference to gift acceptance policies, it is the goal of the Guidelines to encourage funding without encumbering the organization with gifts that generate more costs than benefits.

### PLANNED GIVING

#### **A.     ETHICAL STANDARDS**

Special Olympics                   North Carolina, Inc. endorses and subscribes to the **Code of Ethics of the National Society of Fund Raising Executives** and the **Model Standards of Practice for the Charitable Gift Planner of the National Committee on Planned Giving.**

The Special Olympics                   North Carolina, Inc. Planned Giving Program provides a full range of gift opportunities based on the potential donor's individual needs and wishes.

Special Olympics                   North Carolina, Inc. staff and volunteers are available to help facilitate gifts, but shall not give legal, tax, or financial advice. Potential and actual donors should consult with their own legal, tax, and financial advisors in a

timely fashion. Failure of Special Olympics                     [North Carolina, Inc.](#) staff and volunteers to abide by these Guidelines may jeopardize the validity of a gift.

The Special Olympics                     [North Carolina, Inc.](#) Planned Giving Program shall not recommend or offer specific financial products on behalf of third parties, but rather provides information about the general nature and benefit of such product types.

The Special Olympics                     [North Carolina, Inc.](#) Planned Giving Program utilizes staff and volunteers for marketing and program decision making, but shall not offer, or offer to arrange, professional services for prospective donors.

Special Olympics                     [North Carolina, Inc.](#) staff, upon a donor's request, may provide a list of at least three legal or financial professionals, but shall not endorse or assume liability for any services rendered by such professionals.

Special Olympics                     [North Carolina, Inc.](#) staff shall not manage trusts, serve as trustee or executor, or draft planned gift/bequest documents in connection with any gift to Special Olympics                     [North Carolina, Inc.](#) unless approved in advance by the Special Olympics                     [North Carolina, Inc.](#) Board of Directors. Special Olympics                     [North Carolina, Inc.](#) shall at all times remain at "arm's length" from the legal process of making a gift, bequest or devise.

#### **B. PAYMENT OF FEES**

Special Olympics                     [North Carolina, Inc.](#) shall not pay any fee or other compensation fee to any person or organization as consideration for directing a gift to Special Olympics                     [North Carolina, Inc.](#)

Out-of-pocket expenses (such as real estate appraisals, attorney fees, trustee fees, and other fees associated with the gifting process) **may** be paid by Special Olympics                     [North Carolina, Inc.](#) if:

- a. The fees are deemed germane to the process and are "reasonable;"
- b. The SONC President approves such fees;
- c. The gift instrument is irrevocable; and
- d. The interest of Special Olympics North Carolina, Inc. in the gift is not terminable.

#### **C. GIFT RESTRICTIONS**

While restricted gifts are gratefully accepted, it is the policy of Special Olympics                     [North Carolina, Inc.](#) to encourage unrestricted gifts for use for the general purposes of Special Olympics                     [North Carolina, Inc.](#)

Special Olympics                     [North Carolina, Inc.](#) may accept gifts restricted to special programs and projects that have been approved by the SONC President and/or Board of Directors. All questions concerning restricted gifts should be referred to the SONC President or his appointed designee.

#### **D. TAX AND LEGAL COMPETENCE**

Special Olympics                     [North Carolina, Inc.](#) shall designate a staff member or volunteer as the principal planned giving contact within Special Olympics                     [North Carolina, Inc.](#), who shall be generally knowledgeable about tax

and legal issues relevant to planned gifts, but who need not be a licensed professional.

## **E. IDENTIFYING SPECIAL OLYMPICS BENEFICIARIES**

Special Olympics                     [North Carolina, Inc.](#) staff and volunteers should advise each potential donor that he or she may direct gifts to one or more Special Olympics entities. For example, gifts may be directed to Special Olympics                     [North Carolina, Inc.](#) for local, area, or Statewide use or to Special Olympics, Inc., for the worldwide Special Olympics movement, for international purposes in specific areas of the world, or for uses in geographic areas covering more than one Special Olympics Program. If a potential donor desires to make a gift to a Special Olympics Program outside the United States, the donor should be advised to seek tax advice as to deductibility of the gift under U.S. tax law.

In all cases, however, the intent of the donor is paramount and shall be respected by Special Olympics                     [North Carolina, Inc.](#) to the greatest extent legally possible.

## **GIFT ACCEPTANCE POLICY**

Special Olympics                     [North Carolina, Inc.](#) shall express any acceptance of any gift in writing. Likewise, SONC reserves the right to refuse any gift at its sole discretion.

The date and value of each gift shall be determined in accordance with the Internal Revenue Code and/or State of North Carolina law.

## **A. CURRENT GIFTS**

Special Olympics                     [North Carolina, Inc.](#) gratefully accepts unrestricted gifts such as cash (including checks and credit card transactions), securities (both publicly traded and closely held securities), real estate, personal property, life insurance, and retirement plan benefits.

Generally, it is the practice of Special Olympics                     [North Carolina, Inc.](#) to convert non-cash gifts to cash as soon as possible. Likewise, in the case of a non-cash gift resulting from a bequest, whenever possible and financially prudent the personal representative of the decedent will be asked to sell the property and remit the proceeds to Special Olympics                     [North Carolina, Inc.](#)

### **1. Authorization to Accept Gifts**

Any volunteer or staff person working on behalf of Special Olympics                     [North Carolina, Inc.](#) may accept unrestricted gifts of cash for Special Olympics                     [North Carolina, Inc.](#) Gifts of marketable securities shall be referred to the SONC President.

Authorization to accept gifts that are not readily marketable, such as real estate, personal property, life insurance, and securities for which there is no ready market, shall come from the SONC President and Chairman of the Board of Directors.

Guidelines for determining the acceptability of certain gifts are outlined in the following sections.

## **2. Substantiation**

The SONC President or his appointed designee \_\_\_\_\_ shall provide each donor with such reasonable substantiation as the Internal Revenue Service and/or other appropriate authorities may require.

## **3. Gifts of Real Estate**

Special Olympics \_\_\_\_\_ North Carolina, Inc. gratefully accepts most gifts of real estate. However, each gift transaction must be examined on its individual merits. Issues including clear title, environmental concerns, holding costs and salability must be thoroughly reviewed prior to acceptance.

A gift of real estate normally involves the following steps:

- a. The potential gift is referred to the SONC Vice President of Donor Development, who will serve as the facilitator.
- b. The facilitator will complete a questionnaire that provides an analysis of the transaction, after which the facilitator will present a report regarding the proposed gift to the SONC President. The analysis shall include the following information regarding the real estate in question:
  1. Ownership;
  2. Location;
  3. Description;
  4. Financial evaluation and title information, including descriptions of all encumbrances and restrictions (a current appraisal and title report, generally paid for by the donor, is required); Hazardous waste checklist completed and inspection, if necessary;
  5. Holding costs; and
  6. Disposition or terms of the transaction.
- c. The SONC President and Board Chair will review the proposed transaction and make a decision. If necessary, the President and Board Chair may seek advice from appropriate professionals about the transaction including seeking approval from the Board of Directors. Appropriate reasons for seeking advice include the existence of questions concerning liability, risk, uncertain ownership, or other factors that could have a negative impact on Special Olympics \_\_\_\_\_ North Carolina, Inc. if the property were to be accepted.
- d. In determining the initial acceptability of the property, Special Olympics \_\_\_\_\_ North Carolina, Inc. may obtain an independent appraisal, if deemed appropriate.
- e. The donor should have his or her attorney prepare an appropriate deed transferring title to Special Olympics \_\_\_\_\_ North Carolina, Inc. The

donor may request Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) to have its counsel prepare a deed.

- f. When the property is transferred, the donor shall pay the portion of the real estate taxes prorated to the date of the gift as well as any other expenses normally borne by the seller of real estate.
- g. The date and value of each gift shall be determined in accordance with the Internal Revenue Code and/or other appropriate law.

#### **4. Gifts of Tangible Personal Property**

Valuable personal property includes such items as artwork, antiques, artifacts, collections, jewelry, automobiles, boats, etc.

The proposed gift shall be referred to the Vice President of Donor Development, who shall assess the appropriateness of the gift and make a recommendation to the SONC President \_\_\_\_\_ as to whether or not the gift should be accepted.

When a gift of personal property is received, a receipt shall be issued by Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) The receipt shall accurately describe the donor, the donee (i.e., Special Olympics \_\_\_\_\_[North Carolina, Inc.](#)), the gifted property, the date of the contribution, and the terms of the transactions.

It is not the responsibility of Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) to determine the appraised value of a gift of personal property. The donor is responsible for obtaining such an appraisal and may be required to obtain an appraisal for any gift of personal property valued at \$5,000 or more from an appraiser who is qualified as an expert in the field.

The Internal Revenue Code is complex regarding tax deductions for gifts of personal property. Any questions concerning tax considerations or the disposition of gifted personal property shall be referred to the Vice President of Donor Development, who shall direct donors to consult with their professional tax and/or legal advisors. Volunteers and staff shall not discuss with donors any questions concerning the tax implications of a gift of personal property.

#### **5. Gifts of Life Insurance**

Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) encourages gifts of life insurance. All inquiries concerning the gifting of life insurance shall be referred to the SONC Vice President of Donor Development, who will review each case and make a recommendation to the SONC President concerning acceptability of the gift. The donor can give life insurance to Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) by making Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) the irrevocable owner and beneficiary of the policy. Where ownership is transferred by gift, unrestricted policy rights are preferred, including unrestricted rights regarding premium payment options and policy surrender.

Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) may be named a revocable beneficiary of a policy retained in the possession of the policyholder. The beneficiary designation may be primary, secondary, final, or joint.

Special consideration shall be given to the “insurable interest” law of the State of North Carolina (and of the jurisdiction in which the donor resides, if different) and the effect that law may have on the gifting of life insurance and the tax consequences to the donor.

While life insurance can be an excellent gift to the organization, Special Olympics [North Carolina, Inc.](#) must exercise caution in its relationship with any insurance company, insurance product or agent. It is the policy of Special Olympics [North Carolina, Inc.](#) not to endorse any insurance products for use in funding gifts. Also, in no event shall lists of donors or volunteers be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or volunteers or for the benefit of Special Olympics [North Carolina, Inc.](#)

## **6. Gifts of Securities**

Gifts of securities shall be referred to the SONC Vice President of Donor Development, who may accept publicly traded securities on behalf of Special Olympics [North Carolina, Inc.](#)

The SONC President must approve in advance the acceptance of any securities that are not readily marketable (e.g., not traded on a national or regional securities exchange). These include closely-held stock and other forms of unlisted securities, which may include interests in limited liability companies and limited partnership interests. The SONC Vice President of Donor Development shall review any such offered gift and make recommendations to the SONC President regarding whether or not to accept such gift. In order to protect the interests of Special Olympics [North Carolina, Inc.](#), the legal and tax aspects and marketability of such securities must be reviewed and understood when considering the acceptability of such securities. Special Olympics [North Carolina, Inc.](#) should obtain qualified legal and/or tax advice when appropriate due to the amount or potential risks involved.

It is the policy of Special Olympics [North Carolina, Inc.](#) not to accept general partnership interests.

Similarly, it is the policy of Special Olympics [North Carolina, Inc.](#) not to accept any gift that will generate unrelated business income tax. Securities, once accepted, may be mailed or hand-delivered directly to Special Olympics [North Carolina, Inc.](#) at the following address:

Special Olympics North Carolina, Inc.  
2200 Gateway Centre Boulevard, Suite 201  
Morrisville, North Carolina 27560-9122

Securities may also be electronically transferred by obtaining instructions from the SONC Finance Director.

Special Olympics [North Carolina, Inc.](#) deems it advisable for gifted securities to be sold as soon as prudent. The donor should be advised that it is the policy of Special Olympics [North Carolina, Inc.](#) to sell gifted securities as soon as prudent.

The method of transferring securities to Special Olympics [North Carolina, Inc.](#) should be coordinated by the SONC Vice President of Donor

Development. The donor should provide a letter of transmittal to Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) describing the purpose of the gift and any restrictions, unusual terms or other information relevant to the gift or the securities.

## **7. Gifts of Retirement Benefits**

The Internal Revenue Code is complex regarding the tax consequences of using retirement benefits for charitable giving. Any proposed gift to SONC involving retirement benefits shall be referred to the Vice President of Donor Development, who shall require donors to consult with their professional tax and/or legal advisors. Volunteers and staff shall not discuss with potential or actual donors any questions concerning the tax implications of a gift or bequest involving retirement benefits.

### **B. DEFERRED GIFTS**

Deferred giving may involve complex legal and tax issues and is an area that is constantly changing. Although Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) should have a staff member or volunteer generally knowledgeable about such tax and legal issues, Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) and potential donors should each seek competent legal advice in connection with any deferred gifts, especially substantial, unusual, or particularly complex gifts.

#### **1. Bequests**

**Procedures.** The most common deferred giving arrangement is for an individual to include Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) in his or her will. Generally, the procedure for accepting bequests is the same as those outlined in the previous section on acceptance of current gifts.

Any individual who wants to remember Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) in his or her will should be encouraged to work with her or his attorney to assure that the individual's will or other testamentary instrument contain clear instructions, along the lines of the following:

I give, devise and bequeath to Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) for its general purposes all or [a specified fraction or percentage] of the rest, residue and remainder of my estate, both real and personal.

or

I give, devise and bequeath to Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) the sum of \$ \_\_\_\_\_ to be used for its general purposes.

A donor should be encouraged to make his or her bequest available for the general purposes of Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) Restricted bequests are gratefully accepted, but are not encouraged by Special Olympics \_\_\_\_\_[North Carolina, Inc.](#)

Special Olympics \_\_\_\_\_[North Carolina, Inc.](#) staff and volunteers must be careful in working with an individual who is in the process of preparing a will or other testamentary instrument to avoid any suggestion of a conflict of interest, undue

influence, or unauthorized practice of law. Specifically, Special Olympics North Carolina, Inc. representatives shall:

- a. Encourage the donor to have the will prepared by the donor's attorney.
- b. Decline to prepare any portion of the donor's will or to pay for its preparation by an attorney;
- c. Decline to act as a witness for the donor (as it might invalidate the bequest); and
- d. Decline to be named personal representative, executor, trustee, or administrator of the donor's estate.

It is possible, although extremely unlikely, that there could be special circumstances in which Special Olympics North Carolina, Inc. would accept the role of personal representative (or successor trustee in a revocable trust). In such instances, the donor must be informed that Special Olympics North Carolina, Inc. will seek the services of a fiduciary organization to fulfill its responsibilities as personal representative.

## **2. Revocable "Living Trusts"**

A revocable trust or "Living Trust" is another means for a donor to distribute property after death and to remember Special Olympics North Carolina, Inc. with a bequest. The same guidelines as stated above concerning bequests must be observed by any representative of Special Olympics North Carolina, Inc. in working with a donor.

## **3. Charitable Gift Annuities**

A charitable gift annuity is an irrevocable contract between a donor and Special Olympics North Carolina, Inc. in which the donor makes a current gift to Special Olympics North Carolina, Inc. in exchange for a promise by Special Olympics North Carolina, Inc. to pay a fixed dollar amount annually for the donor's lifetime. An annuity may be either immediate or deferred (i.e., payments beginning now or payments beginning at a specified date or ascertainable event in the future). The guidelines for charitable gift annuities are as follow:

- a. Special Olympics North Carolina, Inc. should establish a minimum amount for each annuity contract. A minimum of \$5,000 per contract is deemed appropriate as of the date of adoption of these Guidelines. Each annuity contract must stand on its own, and no additional contributions are possible after the annuity has been established.
- b. The gift to fund the annuity must be cash or readily marketable securities. Generally, real estate will not be accepted.
- c. The life income arrangement of a charitable gift annuity may be for one or two lives, the younger of which should be no less than 50 years of age.

- d. Annuity rates available to the donor shall be based on the current rates recommended by the American Council on Gift Annuities (a non-profit corporation representing more than 1,400 charitable organizations), although final rates may be the result of negotiation with the donor or the donor's representative.
- e. Before accepting a proposed charitable gift annuity, Special Olympics North Carolina, Inc. should calculate the proposed annuity's residual value to assure that it is sufficient to justify whatever obligations would be imposed on Special Olympics North Carolina, Inc.
- f. Special Olympics North Carolina, Inc. shall assure that the gift or income from the gift is preserved for the purposes of the annuity and not used for any inconsistent purpose (e.g., operating expenses or capital projects).

#### **4. Pooled Income Funds**

The Special Olympics Pooled Income Fund Charitable Trust is maintained by Special Olympics, Inc., for any donor who wishes to make an irrevocable gift to Special Olympics                     North Carolina, Inc. while retaining an income interest for his or her life or the life of another specified person. Upon the death of the income beneficiary, the assets attributable to the donor's gift will be removed from the trust and transferred to Special Olympics                     North Carolina, Inc. for its general purposes, unless otherwise specified by the donor.

The fund operates in a manner similar to a mutual fund and is managed by a bank or some other fiduciary service as trustee. Guidelines concerning the Pooled Income Fund are as follow:

- a. Donors must be provided with the Fund prospectus, a copy of the agreement creating the fund, and any other information required by state or federal law.
- b. The minimum initial contribution amount must be at least \$5,000, with subsequent contributions of at least \$1,000.
- c. Contributions must be cash or readily marketable securities. Tax-exempt securities are not permitted. Generally, real estate will not be accepted.
- d. The life income arrangement of the Pooled Income Fund may be for the lives of one or two beneficiaries, unless otherwise specified by Special Olympics, Inc., in consultation with the Fund administrator.
- e. Special Olympics, Inc., may establish minimum age and other restrictions relating to pooled income funds in consultation with the Fund administrator as to the financial impact on the residual gift at the end of the life term.
- f. The Pooled Income Fund will pay expenses for the administration and management of the Fund prior to making distributions of income.

#### **5. Charitable Remainder Trusts**

A charitable remainder trust is either an annuity trust (with fixed pay-out) or unitrust (with variable payments based on a fixed percentage of assets) that makes

payments to one or more individuals for a term equal to the life or lives of such individuals or for a specified term of years, not exceeding 20 years, with the remainder at the end of the term passing to one or more charitable organizations. Guidelines for charitable remainder trusts for the benefit of Special Olympics

\_\_\_\_\_ [North Carolina, Inc.](#) are as follow:

- a. Donors should be encouraged to arrange for management of such a Trust by a bank or other fiduciary service. Generally, it is not the practice of Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#) to act as trustee for a charitable remainder trust, although Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#) may serve as a trustee in accordance with the following guidelines.
- b. In those circumstances in which Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#) may consider accepting the role of trustee, the donor must be informed that Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#) will seek the services of a fiduciary organization to manage the trust.
- c. Before accepting a role as trustee, Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#) should consider the following:
  1. A charitable remainder trust for which Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#) will accept the role of trustee should, as a rule, have initial assets with a fair market value of at least \$200,000. Smaller amounts may be accepted on a case-by-case basis.
  2. All types of assets may be used to fund a charitable remainder trust. Generally, however, real estate and personal property not readily convertible to cash should not be accepted to fund a charitable remainder trust.
  3. The life income arrangement of a charitable remainder trust is for either one or two lives, the younger of which should, as a rule, be no less than 50 years of age.
  4. Generally, if other charitable organizations are named as remaindermen, the remainder interest of the trust designated for Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#) must be at least 50%.
  5. The trust must be responsible for its own expenses and other liabilities.
  6. The trust must be irrevocable and Special Olympics \_\_\_\_\_ [North Carolina, Inc.](#)'s interest must be non cancelable.
- d. Due to the complex tax rules governing these trusts, care must be taken to assure compliance with all applicable Internal Revenue Code requirements.

## **6. Charitable Lead Trusts**

A charitable lead trust is the reverse of the charitable remainder trust. The lead trust is a gift arrangement in which the donor transfers income-producing assets, such as cash, stocks, bonds, or other income-producing property, to a trust for a specified term of years or for the life or lives of individuals. During the term of the trust, the annuity amount or unitrust amount is paid to Special Olympics

\_\_\_\_\_North Carolina, Inc. At the end of the term, the trust principal is returned to the donor or to beneficiaries designated by the donor. Guidelines are as follow:

- a. Donors should be encouraged to arrange management of the trust with a bank or other fiduciary service. Special Olympics \_\_\_\_\_North Carolina, Inc. should not act as trustee for a charitable lead trust.
- b. If Special Olympics \_\_\_\_\_North Carolina, Inc. is requested to serve as a trustee, it may do so only in accordance with the following guidelines:
  1. Special Olympics \_\_\_\_\_North Carolina, Inc. must retain the services of an independent fiduciary organization to manage the trust.
  2. Special Olympics \_\_\_\_\_North Carolina, Inc. must notify the donor and all identifiable beneficiaries Special Olympics \_\_\_\_\_North Carolina, Inc. will seek the services of a fiduciary organization to manage the trust.
  3. The charitable lead trust must, as a rule, have initial assets with a fair market value of at least \$200,000. Smaller amounts may be accepted on a case-by-case basis.
  4. Special Olympics \_\_\_\_\_North Carolina, Inc. must first obtain the opinion of competent legal counsel that Special Olympics \_\_\_\_\_North Carolina, Inc. is authorized to serve as a trustee of such a charitable lead trust in that State.
  5. Special Olympics \_\_\_\_\_North Carolina, Inc. must confirm that it has adequate insurance coverage to protect its assets against any claims arising in connection with its role as trustee.
- c. Assets acceptable for funding the lead trust include cash or cash equivalents, marketable securities, and income producing property. If non-cash assets are contributed to the lead trust, enough cash should be included to make the payments due during the first two years, and special care should be taken to avoid assets having any contingent or unknown liabilities or complications.
- d. The trust agreement must be prepared or approved by competent legal counsel.
- e. Due to the complex tax rules governing these trusts, care must be taken to assure compliance with all applicable Internal Revenue Code requirements.

## **7. Life Estate Interests**

An irrevocable gift of a remainder interest in a personal residence or farm may be made to Special Olympics North Carolina, Inc. This type of gift allows the donor to retain, for the donor and/or a beneficiary, the right to live on the property and/or to receive income from it for life. This gift should not be in the form of a trust, but rather expressed by a deed prepared in accordance with the laws of the applicable jurisdiction.

Remainder interests in real estate may be accepted in situations where the property involved is a minor portion of the donor's total wealth, and the donor has been fully informed of the possible ramifications of the gift transaction.

**Guidelines:**

- a. The donor's retained life interest may be for either one or two lifetimes (such as the lifetimes of a husband and wife).
- b. The younger of the life beneficiaries should be at least 50 years old.
- c. The donor must agree to pay and to remain liable for all property and other taxes and for the upkeep of the property, which must be clearly spelled out in an agreement between the donor and Special Olympics North Carolina, Inc. (matters to be covered include property insurance coverage, mortgage payments and rights in connection with any default under the mortgage, major repairs, and rights to proceeds from condemnation of the property).

**8. Other Types of Deferred Gifts**

Special Olympics [North Carolina, Inc.](#) recognizes that there are many other kinds of deferred gifts, such as qualified terminable interest property trusts, unit trusts, and retirement plan benefits. The tax, legal, and other aspects of such gifts, and their popularity, can change over time. Special Olympics [North Carolina, Inc.](#) personnel should proceed cautiously and obtain competent legal or other professional advice before accepting any such gifts on behalf of Special Olympics [North Carolina, Inc.](#) Donors should also be encouraged to seek such advice.

# Article 9

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## Financial Arrangements: Fiscal Reporting and Accountability

## **Section 9.NC01      Sub-program Financial Management**

All SONC sub-programs must adhere to the financial management regulations and guidelines of SONC to ensure financial accountability set forth by SOI and adherence to the laws of the state of North Carolina and the United States government which govern the operations of 501(c)(3) charitable organizations and corporations.

According to SOI and the state of North Carolina guidelines, there is no recognition of sub-program as a separate entity. No bank or investment accounts will be authorized to carry the name "Special Olympics" except for the SONC office. The SONC office shall keep one bank account for its own funds and a separate account to "pool" all sub-program funds raised in the name of Special Olympics into one account.

All sub-programs accredited to use the Special Olympics name are required to take part in this "pooled banking" system.

Consequently, all checks will be issued by SONC upon receipt of written authorization and a copy of the vendor invoice from the sub-program representative.

The following are brief descriptions of the guidelines as published by SONC that each sub-program must follow. More detailed information about each guideline is included in SONC's Local Program Financial Management Guidelines manual.

- SONC shall issue a unique pooled banking account code to each sub-program for use on deposit slips and check authorization forms as identification of that sub-program's funds.
- Use of check authorization forms to request payment to a vendor. A copy of this form must be attached to the vendor invoice and submitted to SONC for issue of checks.
- Any funds raised in the name of Special Olympics in the state of North Carolina must be deposited in the pooled account of the benefiting sub-program(s). No guardian relationships will be recognized or authorized in regard to these funds.
- SONC shall keep individual account ledgers for all sub-programs in pooled banking detailing all deposits and expenses. Updated ledgers shall be distributed at least quarterly to sub-program representatives. SONC also recommends that each sub-program keep its own records as a means of providing checks and balances to SONC's records.
- SONC shall add interest and sales tax to each sub-program's account as applicable on a semi-annual basis.
- Funds raised for the purpose of Special Olympics are used for that specific purpose and not for any other use.
- Funds held locally for Special Olympics are the property of SONC Inc. In the event that the local program loses its accreditation, its assets will be held by SONC as "Reserved Funds" for future programming efforts in or for that sub-program's athletes.

## **Section 9.NC02      Games Fee Assessment for Sub-programs**

The Board of Directors shall approve, via the budget process, tentative games fee assessments at the beginning of its fiscal year for the coming program year. The board may alter (increase or decrease) games fee assessments no less than 30 days prior to an event.

The total games fee assessment charged to a sub-program shall be based on the total number of athletes and coaches confirmed to attend a games event. Failure of any athlete or coach to attend the games shall not reduce the assessment fee.

In certain circumstances, the president of SONC shall have the authority to allow athletes and coaches to attend games without any fee assessed. (For example, athletes and coaches may be allowed to attend at no charge as an incentive to participate in new sports.)

Games fees will be transferred from sub-program pooled accounts at the conclusion of each appropriate event for which the fees are due.

### **Section 9.NC03     Capitalization of Assets**

The threshold for capitalization of assets shall be \$500.00. Depreciation of property shall be computed and entered in the General Ledger on a monthly basis, starting with the month after the purchase of the asset.

The item must be catalogued and added to the asset listing for audit and insurance purposes. The purchase price for these items should be charged to the inventory account in which the property should be included (not a profit/loss account).

### **Section 9.NC04     Accounting and Recognition of Donated Materials and Services**

SONC will comply with all Federal Accounting Standards Bureau (FASB) standards of accounting in recognition of in-kind contributions.

#### **a) Discounts**

Any discount that is granted on an obligation of the organization that is the result of the vendor's recognition and support of our mission statement will be considered an in-kind contribution. If the discount is in excess of 12% of the cost, the discount will automatically be considered as an in-kind contribution. Discounts that result from "volume discounts" are not to be considered in-kind.

#### **b) Professional Fees**

If someone provides a service that s/he would normally charge for (e.g. officials, consultants, medical personnel) but opts to waive the charge, documentation should be provided noting the usual charge and that the charge is being waived as a donation to SONC (SONC should provide this form for documentation).

#### **c) Donated Materials and/or Services**

All donated services and materials are to be recorded at a value that is documented and provided by the donor. If no value can be documented, the asset will not be recorded and no receipt may be issued.

#### **d) Acceptance of Donated Materials and/or Services**

Upon acceptance of donated materials and/or services, a letter from the donor stating the perceived value of the donation should be secured and submitted to the vice president of finance for verification.

Once it is determined that an in-kind contribution has been made and the documentation has been secured to verify the value of that donation, the full value of the material or service should be recognized as an expense in the appropriate account and then as an in-kind contribution as a revenue.

In the case of discounts, the full value must be booked as an expense with only the discount amount recognized as an in-kind contribution.

#### **Section 9.NC05      Check Authorization Procedure**

SONC requires all requests for payment to individuals and/or vendors to be submitted in writing using the SONC Check Authorization Form. This form must be submitted with appropriate original invoices or form of payment documentation within five business days of receipt by an authorized representative of SONC.

#### **Section 9.NC06      Volunteer Mileage Reimbursement**

Volunteers using private vehicles for Special Olympics activities may be reimbursed or credited with an in-kind contribution for mileage up to the limit allowed by the Internal Revenue Service. No excess reimbursement will be granted by SONC.

#### **Section 9.NC07      Corporate Credit Cards**

At the discretion of the president, only SONC full-time staff will be permitted to carry and use a corporate credit card in the name of SONC. This policy will mitigate financial risk of improper or excessive expenditures through the use of corporate credit cards.

#### **Section 9.NC08      Cash Advances**

Cash advances for the sole use on SONC expenses up to \$2,500 are allowable at any time to SONC staff and volunteers in good standing, subject to approval of the president or his designated representative. Amounts above \$2,501 can be issued if approved by the president. The vice president of finance is responsible for informing the offending party if cash advances remain outstanding for 60 days and again if outstanding for 90 days. If at any time, cash advances remain outstanding for 90 days and exceed \$500, that sub-program/person will not be given another advance until the entire balance exceeding 90 days is resolved.

Limitations will be placed on cash advances in violation of the above limits even if the offender is not informed of his/her delinquency in a timely manner. Note that a sub-program/person will continue to be reimbursed for expenses regardless of their

cash advance status. This policy is not meant to penalize athletes, but to mitigate the risk of improprieties of SONC funds

Cash advances will be processed after receiving an approved check authorization form from the requesting party. The request will be reviewed by the vice president of finance for other advances that have become delinquent in accordance with this policy. The vice president of finance will distribute cash advances to the party if s/he is in good standing. On a regular basis the vice president of finance will review the listing of outstanding cash advances for delinquency. Upon discovery of delinquent cash advances, the vice president of finance will inform the offending parties of their status. If a party is found to be in violation of the delinquency policy and that delinquent amount exceeds the threshold, no additional cash advances will be granted until the entire amount exceeding 90 days is resolved.

### **Section 9.NC09     Relocation Expenses of SONC Staff**

If a SONC employee candidate is offered and accepts a position with the organization, s/he can receive up to, but not to exceed \$1,500, in moving reimbursements from SONC for expenses with receipts. All costs incurred exceeding this amount will not be reimbursable. Reimbursements will be at the discretion of the President, limited to \$1,500 as stated.

Any proposed reimbursement for moving expenses must be approved by the President prior to the expense being incurred. If the employee does not remain on staff for a minimum period of six months the employee must reimburse the organization for relocations expenses received.

### **9.NC10     Investments**

The Board of Directors ("the Board") of Special Olympics North Carolina, Inc. (SONC) hereby establish the following Statement of Investment Policy and Guidelines ("the Statement") for the investment of the Board's long term Reserve and Endowment Funds ("the Funds"). The Board reserves the right at any time to amend, supplement or rescind this Statement. This Statement supersedes all prior Statements.

#### **DEFINITIONS**

1. "The Fund" shall mean the Fund of Special Olympics North Carolina, Inc. as defined under the GENERAL INFORMATION.
2. "Finance Committee" shall refer to the governing board established to administer the Funds as specified by Special Olympics North Carolina, Inc.
3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the The Funds assets.
4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the The Funds assets.
5. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.

6. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this Statement.
7. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for the Funds is 10 years.

#### SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy, objectives, and constraints of the entire Special Olympics North Carolina, Inc. organization.

#### PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by the Finance Committee and approved by the Board of Special Olympics North Carolina, Inc. in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives of Investment Funds assets.
3. Offer guidance and limitations to all Investment Managers regarding the investment of The Funds assets.
4. Establish a basis for evaluating investment results.
5. Manage The Fund assets according to prudent standards as established in common trust law.
6. Establish the relevant investment horizon for which the The Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

#### DELEGATION OF AUTHORITY

The Finance Committee, subject to Board approval, of Special Olympics North Carolina, Inc. is responsible for directing and monitoring the investment management of The Fund assets. As such, the Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The consultant may assist the Finance Committee in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Investment Manager. The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the The Funds's investment objectives.

3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the The Funds, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the The Funds accounts.
4. Co-Trustee. The Finance Committee may appoint an outside individual or entity, such as a bank trust department, to be co-trustee. The Co-trustee will assume fiduciary responsibility for the administration of The Funds assets.
5. Additional specialists such as attorneys, auditors, actuaries, and others may be employed by the Finance Committee to assist in meeting its responsibilities and obligations to administer The Fund assets prudently.

The Finance Committee will not reserve any control over day-to-day investment decisions, with the exception of specific limitations described in these statements, and reserves the right to increase the frequency of reviews at its discretion. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate.

If such experts employed are deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by The Funds as deemed appropriate and necessary.

#### ASSIGNMENT OF RESPONSIBILITY

##### Responsibility of the Investment Manager(s)

Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing all policies, guidelines, constraints, and philosophies as outlined in this Statement. Specific responsibilities of the Investment Manager(s) include:

1. Adherence to Investment Discipline - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated annually or more often at the discretion of the Finance Committee or The Board, following presentation of results for adherence to investment discipline.
2. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
3. Reporting, on a timely basis, and at least quarterly investment performance results.
4. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the The Fund's investment management.

5. Informing the Finance Committee regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
6. Voting proxies, if requested by the Finance Committee, on behalf of the The Fund, and communicating such voting records to the Finance Committee on a timely basis.

#### Responsibility of the Investment Management Consultant(s)

The Investment Management Consultant's role is that of a non-discretionary advisor to the Finance Committee of the Special Olympics North Carolina. Investment advice concerning the investment management of The Fund assets will be offered by the Investment Management Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Management Consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when requested by the Finance Committee.
3. Monitoring the performance of the Investment Manager(s) to provide the Finance Committee with the ability to determine the progress toward the investment objectives.
4. Communicating matters of policy, manager research, and manager performance to the Finance Committee.
5. Reviewing The Fund investment history, historical capital markets performance and the contents of this investment policy statement to any newly appointed members of the Finance Committee.

#### GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the goals of the Special Olympics North Carolina for the The Fund.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of The Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Finance Committee may employ one or more investment managers of varying styles and philosophies to attain Special Olympics North Carolina objectives.
5. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

### Mission Statement of Special Olympics North Carolina

The mission of Special Olympics is to provide year round athletic training and sports competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy, and participate in sharing of gifts, skills and friendship with their families and other Special Olympics athletes and the community.

### INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of the Special Olympics North Carolina is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management for The Fund assets shall be:

Income and Growth - To achieve a balanced return of current income and modest growth of principal.

### MARKETABILITY OF ASSETS

The Finance Committee requires that all of The Fund assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the The Funds, with minimal impact on market price.

### LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Administration and Finance Committee will periodically provide investment counsel with an estimate of expected net cash flow. The Administration and Finance Committee will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

### INVESTMENT GUIDELINES

#### Allowable Assets

1. Cash Equivalents
  - Treasury Bills
  - Money Market Funds
  - Commercial Paper
  - Certificates of Deposit
  - STIF Funds
  - Banker's Acceptances
  - Repurchase Agreements
2. Fixed Income Securities
  - U.S. Government and Agency Securities
  - Corporate Notes and Bonds
  - Mortgage Backed Bonds
  - Preferred Stock
  - Fixed Income Securities of Foreign Governments and Corporations
3. Equity Securities
  - Common Stocks

- Convertible Notes and Bond
  - Convertible Preferred Stocks
  - American Depository Receipts (ADRs) of Non-U.S. Companies
  - Stocks of Non-U.S. Companies (Ordinary Shares)
4. Mutual Funds
    - Mutual Funds which invest in securities as allowed by and follow practices as supervised by Financial Industry Regulatory Authority.
  5. Other Assets/Alternative Investments\*
    - GICs
    - Real Estate Investment Trusts
    - Mutual Funds which use options and futures
- Note: Investment in Other Assets/Alternative Investments requires Finance Committee approval.

#### Stock Exchanges

To ensure marketability and liquidity, investment advisors will execute equity transactions through the following exchanges: New York Stock Exchange; American Stock Exchange; and NASDAQ over-the-counter market. In the event that an Investment Manager determines that there is a benefit or a need to execute transactions in exchanges other than those listed in this statement, written approval is required from the Finance Committee.

#### Prohibited Assets

Prohibited investments include, but are not limited to the following directly held assets:

1. Commodities and Futures Contracts
2. Private Placements
3. Options
4. Limited Partnerships
5. Venture-Capital Investments
6. Real Estate Properties
7. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs

#### Prohibited Transactions

Prohibited transactions include, but are not limited to, the following as they relate to directly held assets:

1. Short selling
2. Margin transactions

#### Asset Allocation Guidelines

Investment management of The Fund shall be in accordance with the following asset allocation guidelines:

1. The Fund Aggregate Asset Allocation Guidelines (at market value) are as follows:

Asset Class	Minimum	Maximum
Equities	20%	80%
Fixed Income	10%	40%
Cash & Equivalents	0%	40%
Alternative Investments	0%	10%

2. In the event that any individual Investment Manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the Finance Committee expects that the Investment Manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the Finance Committee.

#### Diversification for Investment Managers

The Finance Committee does not believe it is necessary or desirable that securities held in the The Fund represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 5% of the total fund, and no more than 8% of the total fund should be invested in any one industry. Individual treasury securities may represent 10% of the total fund, while the total allocation to treasury bonds and notes may represent up to 100% of the The Funds's aggregate bond position.

#### Guidelines for Fixed Income Investments and Cash Equivalents

1. The Funds assets may be invested only in investment grade bonds rated BBB (or equivalent) or better.
2. The Fund assets may be invested only in commercial paper rated A1 (or equivalent) or better.
3. Fixed income maturity restrictions are as follows:
  - Maximum maturity for any single security is 25 years.
  - Weighted average portfolio maturity may not exceed 15 years.
4. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors, and/or Moody's.

#### INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Finance Committee for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Finance Committee intends to evaluate the portfolio(s) at least annually over at least a three year period, but reserves the right to terminate a manager at any time for any reason including the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.  
Significant qualitative changes to the investment management organization.  
For any other reason determined by the Board or the Finance Committee.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

#### INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Finance Committee plans to review investment policy at least annually.

This statement of investment policy is adopted on October 19, 2000 by the Finance Committee and the Executive Committee of Special Olympics North Carolina whose signatures appear below.

I/We understand and accept the Statement of Investment Policy and will manage the assets of Special Olympics North Carolina accordingly.

Signatures are on file in the SONC office.

### **9.NC11      Property Capitalization and Inventory**

Business property is used in the operation of the Organization so the accurate maintenance of property records is essential to ensure safeguarding of assets, resulting in financial accountability and compliance with generally accepted accounting principles. Additionally, it is important to maintain appropriate insurance coverages for the protection of the property and the users. The following policy will provide the necessary oversight regarding property capitalization guidelines and inventory tracking.

#### **Types of Property**

##### Equipment

Equipment purchases of \$500 or more and a useful life of more than one year will be capitalized at cost and depreciated using the straight-line method over the estimated useful life of the item or, in the case of leased equipment, the lease term.

Equipment purchases less than \$500 will be charged to the capital expenditure line item in the budget and expensed through year-end budget or auditor adjustments. Costs can include ancillary costs such as installation, setup, freight, etc.

➤ **Trade-Ins**

If an old item is traded in on the purchase of a new item, the book value of the old item will be added to the

new item to arrive at the valuation of the new replacement equipment as long as the valuation does not exceed fair value of the new equipment.

➤ Lease Purchases

Equipment purchased under a lease purchase agreement shall be capitalized if one of the following applies:

1. The lease transfers ownership of the property to the Organization.
2. The lease contains a bargain purchase option.
3. The lease term, including any bargain renewal option, is equal to 75% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments, excluding executory costs, equals or exceeds 90% of the fair market value of the leased property. The leased item will be added to capital leased equipment inventory at the lower of the present value of the minimum lease payments at the beginning of the term or fair value at the inception of the lease.

➤ Building Improvements

Most building-related expenditures for repairs and maintenance will be expensed through operations and not capitalized. However, improvements that cost more than \$500 and have a useful life of more than a year will be capitalized and depreciated over the useful life of the improvements.

➤ Donated Equipment

Donated equipment shall be capitalized if the fair market value on the date of gift is \$500 or more and has a useful life of more than one year.

➤ Replacement Parts

Subsequent replacement or enhancements made to equipment shall be capitalized if they have an acquisition cost of \$500 or more and a useful life of more than one year. Replacement parts that are acquired as a part of normal repair and maintenance will be expensed through operations and not capitalized.

### Software

Software developed internally or purchased at a cost of \$500 or more with a useful life of more than a year will be capitalized at its cost and amortized over its useful life.

### Property Inventory

The Organization will ensure accountability for assets and maximize the efficiency of their use, as well as comply with generally accepted accounting principles and maintain adequate insurance coverages. The President will ensure that a property inventory system with internal tracking system exists for equipment and building improvements. The President will ensure that the system is monitored and complies with accounting and regulatory guidelines. Newly acquired items will be added to the inventory records and appropriate insurance policies within two business days of acquisition. Likewise, items that are no longer used will be removed from the inventory records and appropriate insurance policies within two business days. A physical inventory will be conducted at least annually to compare assets on hand to those listed on the inventory records.

### Inventory System Requirements

The inventory record will include equipment description including all model and/or serial numbers; vendor name and acquisition date; acquisition cost with a copy of receipt; annual depreciation calculated on a straight-line basis; and accumulated depreciation for all property or building improvements:

The original acquisition cost to the Organization will be maintained and reported for financial reporting purposes.

Location of all equipment and building improvements will be updated as necessary to reflect the current status of the inventory. It is essential that persons taking physical inventory receive assistance from appropriate staff to locate items promptly for all items listed on the inventory.

### Write-off and Disposal of Items

Any equipment which has ceased to function with respect to its regular operation and which is unlikely to be used in its present form in the future, will be removed from the inventory.

Equipment or building improvements that have been removed from the inventory for any reason during the year are to be documented in writing to the Finance Director for audit review. Ultimate disposition data shall include: Date of Disposal, Method of Disposal, and revenue received from disposal. Methods of disposal include trade-in, sale, loss, theft or salvage.

Fully depreciated assets that are still being utilized shall remain on the inventory records.

### **Risk Management/Insurance**

The Organization will maintain appropriate insurance on all business property and will conform to all applicable laws concerning insurance coverages on business property. The President will ensure that information exists that is necessary to calculate replacement values for all equipment including software listed on the inventory system.

### Itemized business property listing

Replacement cost values of all equipment, including building improvements and software, will be maintained on a current basis. Each department vice president shall have the responsibility to inform the President when an item is missing and/or damaged. Property may not be moved from the building without prior approval from the appropriate vice president.

### Itemized Loss Detail

When filing a claim for loss, a listing or claimed items may be required. For equipment, this listing will include a description of each piece of lost equipment, a specific identification of the equipment and the replacements cost value of the equipment.

The Organization will file appropriate claims through its appropriate insurance providers when required. In the case of suspected theft, the appropriate law enforcement agency will be notified under the direction of the SONC President.

## **Financial Reporting**

The Organization will be responsible for fairly reporting the value of all assets for use in financial statements and for review by the auditors and Finance Committee. The Organization will be required to report annually the acquisition costs of its property and inventory, the accumulated depreciation and the net book value. Depreciation will be recorded on a straight-line basis using estimated useful lives.

In addition to reporting historical costs and accumulated depreciation of equipment as of December 31, the Organization will be required to reconcile the current December 31 value to the value reported for the preceding December 31 by showing additions, deletions, current year depreciation, write-offs, etc.

## **9.NC12 Appropriate Use of Funds**

SONC has a legal obligation to make sure that funds raised in the name of Special Olympics are used in pursuit of the mission of training and competition. Annual audits of the state level organization ensure that SONC is a good steward of the donor's money.

When an activity or event is not held primarily for the purposes of training and competition, an Athlete Enrichment Activity application must be submitted to and approved by the local program's area director prior to any funds being spent or committed. Examples of this include, but are not limited to, trips to the beach, parties and other social activities, and gifts given to athletes, coaches and volunteers.

It should be noted that recreational swimming is prohibited by Special Olympics North Carolina. Please see policy 4.NC02 for more information.

In addition, any expenditure of more than \$1,000 requires pre-approval from the finance director prior to any funds being spent or committed. This preapproval must be requested at least two weeks in advance of the event/purchase.

When the Athlete Enrichment Activity application must be completed when ANY of the following is true:

- ✓ The total cost of the event/travel opportunity/purchase is equal to or greater than \$1000.
- ✓ The activity requires an overnight stay and is not a state-level event. (Overnight stays are considered reasonable when the opportunity is more than 180 miles from home.)
- ✓ The activity does not involve training or competition. (Social activity like a dance, party or picnic.)

# Article 10

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## Interpretation of Operating Policies

# Appendix

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## Conflict and Confidentiality Statement

**SPECIAL OLYMPICS NORTH CAROLINA, INC.  
CONFIDENTIALITY AND CONFLICT OF INTEREST AGREEMENT**

For good and valuable consideration, the sufficiency of which is hereby acknowledged, and as a condition of my employment and/or volunteer service, I agree to the following regarding Confidentiality and Conflict of Interest (hereinafter the "Agreement"):

**(1) Confidential Information.**

I acknowledge that in the course of my work as either an employee or volunteer with Special Olympics North Carolina, Inc. (SONC) I may learn certain confidential and/or proprietary medical, personal, and/or financial information, records, and/or data regarding SONC, its programs, athletes, staff, volunteers, and other matters (hereinafter "Confidential Information"). Examples of Confidential Information include, without limitation, medical histories, volunteer and/or athlete personal histories and records, financial information and data regarding SONC, individual personnel information.

As a condition of my employment and/or volunteer service, I agree to maintain and protect the confidentiality of all such Confidential Information at all times during and after my employment and/or volunteer service. SONC recognizes that during employment and/or volunteer service it may be necessary in order for me to fulfill my responsibilities to SONC to provide Confidential Information to health care professionals, insurance carriers, supervisors, auditors, or others. Disclosure of Confidential Information under those circumstances will not violate this Agreement.

**(2) Conflict of Interest**

I further agree to avoid any activity that results in any real or apparent conflict of interest. I will not accept any fee or payment from anyone seeking to do business now or in the future with SONC.

I understand and acknowledge that any violation of this Agreement may be grounds for disciplinary action, including without limitation, immediate termination of my employment or volunteer service. In addition, SONC reserves its full rights to pursue whatever legal and/or equitable remedies may be available to it.

Signature of Employee or Volunteer  
(or parent or legal guardian if volunteer  
is under the age of 18): \_\_\_\_\_

Print Name: \_\_\_\_\_

Witness: \_\_\_\_\_

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