



# POLICY MANUAL

DESTINATION IMAGINATION, INC.

Revised: May 23, 2024

## PREFACE

### Explanation of Terms Used in These Policies

1. Destination Imagination, Inc., or DII, refers to the corporation.
2. Destination Imagination® or Destination Imagination refers to the program.
3. Board of Trustees or Board refers to the Board of Trustees of the corporation.
4. Affiliate refers to the licensed state, province, or country organization that runs the DII program.
5. Affiliate Director refers to the head of a licensed affiliate, who is the affiliate's liaison to DII.
6. DIAD refers to the Destination Imagination Affiliate Director Advisory Group.
7. The Headquarters of DII refers to the principal office of the corporation.
8. Trustee refers to any member of the Board of Trustees except the Chief Executive Officer.
9. Policies that call for an annual review by the Board shall be presented at the annual meeting of the Board of Trustees.

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## SECTION A: CORPORATE BUSINESS POLICIES

### A.1 ETHICS POLICY

1. Recognize that the chief function of DII at all times is to serve the best interest of our constituency.
2. Accept as a personal duty the responsibility to keep up to date on emerging issues and to conduct ourselves with professional competence, fairness, impartiality, efficiency, and effectiveness.
3. Keep the community informed about issues affecting it.
4. Conduct our organizational and operational duties with positive leadership exemplified by open communication, creativity, dedication, and compassion.
5. Serve with respect, concern, courtesy, and responsiveness in carrying out the organization's mission.
6. Demonstrate the highest standards of personal integrity, truthfulness, honesty, and fortitude in all we do, in order to inspire confidence and trust in our activities.

### A.2 ANTI-DISCRIMINATION POLICY

1. Destination Imagination, Inc., shall not discriminate because of race, color, age, sex, sexual orientation, marital status, disability, national origin or ancestry, religion, economic status, union membership, or political affiliation. This covers all areas of employment, recruitment, advertising, hiring, promotion, demotion, lateral reassignment, transfer, layoff, discharge, rates of pay or other compensation, training, or any other benefits. Employment will be based solely on the basis of merit or other qualifications.
2. DII shall comply with the intent of the Americans with Disabilities Act of 1990 and shall not knowingly discriminate against individuals with disabilities. DII will consider modifying schedules and other adjustments to reasonably accommodate employees with disabilities.
3. Any grievance regarding discrimination shall be handled through the Equal Employment Opportunity Commission officer (Chief Executive Officer or designee) and in consultation with the Management Committee of the Board when appropriate. The complainant should contact the EEOC officer (Chief Executive Officer or, if the complaint is against the, the Chair of the Management Committee), who shall provide information and assistance on filing and pursuing the complaint..

### **A.3 RISK MANAGEMENT POLICY**

1. Destination Imagination, Inc., is committed to protect its human, financial, and goodwill assets and resources through the practice of effective risk management. To this end, the Board will ensure that DII has a risk management plan for the organization that is reviewed, updated and presented to the Board on an annual basis.

### **A.4 SEXUAL HARASSMENT POLICY**

1. Destination Imagination, Inc., prohibits any employee, volunteer, or vendor from making sexual advances of a verbal or physical nature toward another employee or applicant for employment. Sexual harassment is viewed as a form of employee conduct that undermines the integrity of the employment relationship. All employees must be allowed to work in an environment free from unsolicited and unwelcome sexual overtures. Sexual harassment is a practice that demeans the individual. Consequently, DII will not tolerate sexual harassment of its applicants, employees, or volunteers by anyone. DII will, as necessary, take disciplinary action, up to and including termination, in accordance with this policy to ensure we meet our responsibilities to our employees and volunteers.

### **A.5 DRUG AND ALCOHOL POLICY**

1. These policies apply to Regional, Affiliate, and Global Organizations.
2. The consumption of, or being under the influence of, alcohol or illegal drugs by adults while they are responsible for minors participating in our program is not allowed.
3. Any adult under the influence of alcohol or illegal drugs, while responsible for minors will be subject to disciplinary action, which may include prohibition against participating in future DII activities.
4. No DII funds may be used to purchase alcohol at events where students are present.
5. Alcohol, when available, may only be used in a controlled environment that is not easily accessible to participants of any nearby DII youth activities.
6. Senior level staff may use DII funds to purchase alcohol in situations where they are entertaining sponsors, potential contributors, or other meetings where appropriate.

### **A.6 CONFLICTING EMPLOYMENT RELATIONSHIPS**

1. Definitions.

- a. “Conflicting Employment Relationship” means a DII employment-related relationship involving at least one Covered Person and at least one Conflicted Person that (1) results in an actual or perceived conflict of interest or (2) unreasonably interferes with a Covered Person’s ability to objectively carry out the responsibilities of his or her position.
  - b. “Conflicted Person” includes a parent, sibling, spouse, fiancée (including a live-in significant other), child (including spouses of children), grandparent, and grandchild. For purposes of this policy statement, “child” includes adopted children, stepchildren, and minor legal dependents. In addition, the Board of Trustees may expand, limit, and clarify the definition of Conflicted Person to the extent reasonably necessary to carry out the stated purposes of this policy statement.
  - c. “Employment Opportunities” includes full and part-time employment, whether carried out directly through a common law employment relationship, or indirectly by way of consulting agreement, independent contractor relationship, or third party employee leasing arrangement. The term does not include volunteers (even if DII is reimbursing the individual for covered expenses) who receive only a de minimis amount of compensatory income from DII, whether under a “work-for-hire” agreement with DII or otherwise.
  - d. “Covered Person” includes a member of the Board of Trustees, a DII officer, and any DII employee who would either be in a supervisory or subordinate position to the Conflicted Person.
2. Employment opportunities at DII may be limited to the extent necessary to avoid a Conflicting Employment Relationship. Conflicting Employment Relationships requiring particular scrutiny include those involving (1) members of the Board of Trustees, (2) DII corporate officers, and (3) Covered Persons who are, either directly or indirectly, in a supervisory or subordinate relationship with a Conflicted Person who earns more than a de minimis amount of compensatory income from DII.
  3. While it is DII’s intention to limit, to the greatest extent possible, Conflicting Employment Relationships, this policy is not to be read as a per se prohibition on all Conflicting Employment Relationships. DII recognizes that the nature of its business, the size of its paid staff, and its reliance on volunteers may make the strict prohibition of Conflicting Employment Relationships not feasible from a business standpoint. DII’s Board of Trustees may, therefore, fashion a remedy that balances the threat to DII engendered by the conflicting Employment Relationship with the business needs of DII. In no event, however, may either individual continue to hold a position that directly controls or influences the hiring, termination, promotion, transfer, evaluation, or salary administration of the other.
  4. Procedures for Dealing with Conflicting Employment Relationships.
    - a. The administration of this policy is the responsibility of DII’s Chief Executive Officer and its Board of Trustees. It is the responsibility of each Covered Person to disclose immediately to DII’s Chief Executive Officer any Conflicting Employment Relationship or any arrangement that a reasonable person may conclude may constitute a Conflicting Employment Relationship. In the case of a Conflicting Employment Relationship that involves DII’s Chief Executive Officer, such Conflicting Employment Relationship must be disclosed to the Board Chair.

Failure to timely disclose such a Conflicting Employment Relationship may result in disciplinary action against the Covered Person, including termination of employment or removal from the Board of Trustees.

- b. Once a real or perceived Conflicting Employment Relationship has been reported, the Management Committee shall perform an investigation to determine whether, and to what extent, a Conflicting Employment Relationship actually exists. The Management Committee shall thereafter present its findings and recommendations to the full Board of Trustees for action. The determination of the Board of Trustees in this regard shall be conclusive. In making its recommendations and decision, the Management Committee and Board of Trustees, respectively, shall take care to avoid sex- or age-based discriminatory effects. Where a Conflicting Employment Relationship is established, neither gender nor age will have an impact if it is determined that the employment situation of either the Covered Person or the Conflicted Person is to be affected in any way. Rather, recommendations and decisions will be guided by the relative importance and requirements of the applicable positions, the qualifications of the affected individuals, and the legitimate business interests of DII.
- c. When a Conflicting Employment Relationship has been determined to exist and the Board of Trustees decides that such Conflicting Employment Relationship is sufficiently damaging to DII that it may not continue, the Covered Person and Conflicted Person will be counseled that the relationship requires that one or both be reassigned or terminated. If, within an appropriate period of time, a suitable remedy cannot be fashioned to mutually cure the unacceptable Conflicting Employment Relationship, the Board of Trustees shall impose one on the parties, which may include the termination of either individual.

**A.7. [reserved]** [as deleted 7/20/22]

**A.8. [reserved]** [as deleted 7/20/22]

**A.9. [reserved]** [as deleted 7/20/22]

**A.10. [reserved]** [as deleted 7/20/22]

## **A.11 WHISTLEBLOWER POLICY**

1. The Destination Imagination, Inc., Code of Ethics and Conduct (“Code”) requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of DII, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. It is the responsibility of all directors, officers, and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.
2. No director, officer, or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates



against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within DII prior to seeking resolution outside DII.

### 3. Reporting Violations.

- a. The Board Chair shall appoint a Compliance Officer from among the members of the Board of Trustees. The Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his or her discretion, shall advise the Chief Executive Officer and/or the Board Chair. The Compliance Officer has direct access to the Board Chair and is required to report to the Board Chair at least annually on compliance activity.
  - b. The Code addresses DII's open-door policy and suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with the supervisor or is not satisfied with the supervisor's response, he or she is encouraged to speak with anyone in management whom the person is comfortable in approaching. Managers are required to report suspected violations of the Code to the Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when an employee is not satisfied or is uncomfortable with following DII's open door policy, individuals should contact the Compliance Officer directly. Should the employee not feel free to speak with any of the above-mentioned individuals, he or she should speak with the Board Chair.
  - c. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be anonymously submitted. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
  - d. The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate actions will be taken if warranted by the investigation.
4. The Board Chair shall address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The Compliance Officer shall immediately notify the Finance Committee of any such complaint and work with the Committee until the matter is resolved.
  5. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegation that proves not to be substantiated and which proves to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.
  6. Each employee will sign two copies of this policy upon hire. One copy will be given to the employee. Another copy will be placed in the employee's personnel file at DII Headquarters.

## **A.12 DOCUMENT RETENTION/PRESERVATION AND DESTRUCTION POLICY** [as amended 7/20/22]

1. DII will retain and preserve documents in accordance with applicable law and best practices, pursuant to specific requirements promulgated by the Chief Executive Officer.

## **A.13 PURCHASING POLICY**

1. The investment in physical inventory, supplies, and capital equipment will be facilitated by the corporate purchasing agent consistent with established guidelines as developed.

## **A.14 OUTSIDE PROFESSIONAL SERVICE PROVIDERS**

1. The Board will review and appoint on an annual basis Outside Professional Service Providers.

## **A.15 ANNUAL BUSINESS PLAN**

1. Annually, before August 1, the Board shall review the Annual DII Business Plan. The Chief Executive Officer shall prepare and submit the Business Plan to the Board for consideration on or before July 1. The Board will give final approval to the Business Plan at the October Board Meeting.

## **A.16 STRATEGIC BUSINESS INITIATIVES**

1. The Chief Executive Officer shall present to the Board any new strategic business initiatives or opportunities requiring Board approval or review at least thirty days prior to Board decision. New strategic business initiatives include, but are not limited to, business ventures, mergers, partnerships, expenditures or investments greater than \$100,000, and programmatic changes. The Chief Executive Officer shall present a business case and financial analysis, including the opportunity overview, cost, investment, benefits, returns, risks, and timeline for any such initiative. The purpose of this policy is to give the Board members adequate time for due diligence and review.

## **A.17 SPECIAL PROJECTS**

1. The purpose of this policy is to adopt a procedure for special projects that exceed \$25,000 in non-budgeted cost(s).
2. A special project is any proposed project, conference, association membership, or use of resources that is not identified and funded within the approved annual budget and business plan.
3. Special projects shall be reviewed by a committee consisting of the Board Chair, Vice Chair, Treasurer, Chair of the Development Committee, and the Chief Executive Officer.

4. For a special project to be considered, it must be presented to the committee with an executive summary (one to five pages) explaining how and why the project would benefit our strategic plan, mission, and vision. In addition, an estimated business case should accompany the executive summary. Each project presentation will be considered by the committee within a 14-day time frame. The project will receive one of three responses: Approved; Approved with additional information request; or Rejected.

## **A.18 IT RISK MANAGEMENT POLICY**

1. DII shall adopt a set of IT oversight principles to assist the Board of Trustees and the DII Leadership Team in their responsibility to ensure that IT is aligned with the business. These principles will enable the business to deliver value, measure its performance, properly allocate its resources and mitigate its risks.
2. A cross-functional IT steering committee shall be established consisting of Board and staff members. This body will ensure that the organization's needs, related to strategic use of IT, are satisfied.
3. The Chief Executive Officer will be responsible for ensuring that:
  - a. The IT staff stays current with developments impacting the IT function of DII.
  - b. IT projects are aligned with the strategic plan and annual Business Plan.
  - c. The IT budget aligns with objectives.
  - d. There is a plan for IT change management.
  - e. There is a plan for data/information security.
  - f. DII has disaster recovery plans and business continuity plans.
  - g. Data management policies are in place.

## **SECTION B. DII BOARD INFRASTRUCTURE**

### **B.1 BOARD AUTHORITY AND RESPONSIBILITY**

1. Officers of the Board.
  - a. The Board shall, every other year or as necessary, elect a Chair and a Vice-Chair from among the Members of the Board at its annual face-to-face meeting. They shall assume their offices at the first meeting of the fiscal year. The terms of office shall be two years and are non-renewable. The Secretary and Treasurer of the Board shall be elected to a two-year term. The Board may elect other officers as it deems necessary.

- b. Anyone wishing to put his or her name in nomination for Chair or Vice Chair shall make known his or her intention to run to the current Board of Trustees no fewer than two weeks before the annual Board meeting.
  - c. Contested elections shall be by secret ballot.
2. It is the policy of the Board of Trustees to encourage greater understanding between the Board and the various constituencies it serves. The Board Chair or Chair designee will be directly responsible for disseminating all Board communication to the media, DIAD, allied organizations, the DII community, and staff.
3. In order to assure the orderly dissemination of information and facilitate communication, "correspondence" shall be defined as all communications to the Board including, but not limited to, Trustee list server, e-mail, standard mail, and communication during teleconferences.
4. Policies that deal with personnel and other confidential issues will not be posted to the Web for review.

## **B.2 BOARD COMMITTEE POLICY** [as amended 7/20/23]

1. The Board of Trustees will have standing committees in order to effectively fulfill the management responsibilities of DII. The Chief Executive Officer may use operational committees at his or her discretion.
2. Committees of the Board of Trustees will report directly to the Board. All Board committees are advisory and may not take action without formal approval from the Board of Trustees.
3. Board committees are one of these types: Standing Committees are permanent committees of the Board. Ad Hoc and Working Committees may be set up by the Board to address specific issues outside the realm of the Standing Committees. Ad Hoc Committees will exist only for the duration of their charter. There will be no limit for the length of time these Ad Hoc and Working Committees can exist.
4. The Board of Trustees has established Standing Committees as defined in the DII Bylaws:
  - a. Executive (the four officers of the Board of Trustees)
  - b. Finance
  - c. Governance
  - d. Development
  - e. Management
  - f. Nominations
5. Ad Hoc and Working Committees may be formed or disbanded as determined by the Board Chair.
6. All committees of the Board must comply with the following requirements:
  - a. Be chaired by a member of the Board.

- b. Operate under a charter set by the Board.
  - c. Report directly and regularly to the Board on a quarterly basis and to the Board annually.
7. Members are chosen for a committee to provide the skills needed for the committee to achieve its charter. When new committees are formed or existing committees are modified, the membership of such committees must follow the applicable policies of DII.
8. Each Board member will serve on at least one committee. The Chair of the Board, taking into consideration their areas of interest and expertise, will assign members to Board committees. Committee appointments are for two years and will be made after the Board officer elections are held. The chair of each committee (except the Governance Committee and the Finance Committee) will be appointed by the Chair of the Board. The committee chairs and members will begin their appointed positions at the beginning of the fiscal year (October 1). [as amended 7/20/23]
9. It shall be the responsibility of each committee chair to identify the charges and tasks from each meeting and send them to the Board Liaison so that they may be attached to the minutes of that meeting. In addition, the chair shall update the Board as to progress each time the committee reports. The committee chair is responsible for developing and submitting an annual report prior to the Board's annual in-person meeting.
10. The Chair of the Governance Committee will send to the Board any policies the committee is recommending for approval no later than five days before each scheduled Board meeting. Proposed policies will be reviewed and voted on by the Board.

### **B.3 BOARD CODE OF CONDUCT**

1. A fundamental factor in the successful operation of Destination Imagination, Inc., is the maintenance of sound and harmonious work relationships among Board members. These relationships are subjected daily to a variety of stresses. Conflict is inevitable and is a healthy and acceptable step in the process of testing and vetting ideas. Respect for the individual and the organization must always be at the forefront of all conversations. The Board of Trustees developed this Code of Conduct, based on the tools needed for teamwork, as a guide for establishing sound relationships to help maintain an environment of trust, mutual respect, and support.
2. The Board pledges to observe this Code of Conduct:
  - a. Trust each other. It is important for all members of the Board to help and support each other in an atmosphere of trust. To do this, Board members must always keep confidential information confidential, be willing to admit and correct mistakes, be consistent and honest in communications, and be objective in approach. An environment of fun and humor will encourage the growth of trust.
  - b. Establish common goals. The primary goal of the Board is to fully support the mission and vision of DII. Board members are passionate about the program. That passion must always translate to positive actions in the best interest of the program. Board members must lead

by example and believe we must be held to a higher standard than expected of our employees, volunteers and participants. Therefore, we pledge to hold ourselves, as Board members, accountable to this Board Code of Conduct.

- c. Respect each other. Board members will demonstrate respect for the team by exhibiting integrity, honesty, and common courtesy. Our behavior will at all times be fair to everyone within the DII community. As Board members, we will communicate clearly without rancor. We will be responsible and accountable to our teammates and ourselves.
  - d. Be willing to use the ideas of other team members. All Board members will be willing to ask tough questions and be receptive to opposing points of view in response. We will communicate with all members of the team, sharing ideas as we strive to make decisions that benefit the students, volunteers, staff, and program.
  - e. Take pride in the team and its solutions. Differing ideas can be healthy and necessary in reaching an objective and balanced decision. However, once a vote has been taken, a Board decision is final. All Board members shall support Board decisions and exercise maximum effort to implement such decisions, even though they may have been made without or against an individual member's recommendation or approval. The Board speaks with one united voice, but responsible dissent in reaching a decision may be appropriate.
  - f. Support each other and the organization. It is the responsibility of Board members to actively support the Chief Executive Officer and Board decisions. Every member will take an active role in activities in at least one program in the DII community.
  - g. Use the strength of others. The volunteers of DII have unlimited creative potential coupled with amazing skills. Whenever possible, the Board will engage a variety of volunteers to utilize their strengths for the organization. The dedicated staff of DII provides the needed structure for many activities of the organization. Board members will understand and respect the duties and abilities of the DII staff and will appropriately support them in their work. The Board will actively solicit input from our Affiliate Directors and will maintain close links with the officers of DIAD.
  - h. Establish and use team roles. To accomplish all these things, it is essential that the Board define key roles to assure a clear and representative voice is used to provide communications to Board, staff, and the DII community. In addition to roles and duties defined in the bylaws, policies, and guidebooks:
    - i. The Board Chair is the official spokesperson for the Board.
    - ii. Board committee chairs communicate for their committees with the Board.
    - iii. The Chief Executive Officer is the official spokesperson for all tactical areas within his or her responsibility.
3. Each Board member will sign a single copy of the Code of Conduct annually at the first Board meeting of the fiscal year. New Board members will sign the Code of Conduct upon appointment.

4. Failure to fulfill the responsibilities as a Trustee will be deemed as a resignation from the Board of Trustees.

## B.4. BOARD OF TRUSTEES MEETINGS

1. The Board of Trustees shall meet as provided in the bylaws, including a meeting in July that will be the annual meeting. [as amended 9/15/21]
2. Agendas for all scheduled meetings, as per the bylaws, shall be sent to all Board members five days prior to meetings. All other necessary materials required to conduct business will be made available to each Board member at least five days prior to each regularly scheduled meeting. Notification for the annual meeting will be given to all members no later than thirty days prior to the meeting.
3. The Board Liaison will take notes at the meetings and put them in minute form for the Board's approval. A public set of minutes will be made available to members of the public on request. The official minutes of meetings of the Board shall be kept on file by DII as a permanent record of the official actions of the Board of Trustees. [as amended 11/16/22]
4. Although no formal action may be taken, the Board may conduct closed sessions for the following reasons:
  - a. Negotiations
  - b. Personnel
  - c. Litigation
  - d. Security and/or Safety
  - e. Appeals
  - f. Property
  - g. Disciplinary Procedures

The Board may adjourn to Executive Session for one or more of the purposes stated above upon the adoption of a proper motion. The Board shall adjourn the Executive Session and return to Open Session to take formal action, if any, on matters discussed during the Executive Session.

5. The agenda of the annual meeting of the corporation will include those reports that are required by policies to be reviewed annually, such as: Licensed Vendors List, Merchandise Policy, Business Plans Policy, Global Finals fees for International Teams, and Risk Management Policy.
6. If the Board desires to vote other than orally, the action must be approved by unanimous written consent (which specifies the action being approved). The document can be signed in counterparts (*i.e.*, each Board member can sign and fax/email his/her signature).
7. Proxy votes will not be allowed at any Board meeting except for the purpose of election of candidates to the Board of Trustees.

## **B.5. FILMING/RECORDING OF BOARD MEETINGS**

1. Filming and/or recording (either video or voice) of Board meetings by the public or Trustees is not permitted.
2. The Board Liaison may record (voice only) meetings.

## **B.6. BOARD EXPENSES**

1. Reasonable expenses incurred by Trustees in the performance of their duties as well as travel expenses, room, and board for Board meetings will be paid or reimbursed. DII will not reimburse or pay for any alcoholic beverages.
2. An expense report will be emailed to Board members at the conclusion of each in-person meeting and Global Finals. The report should be filled out and returned to the Board Liaison within four weeks of the meeting. Receipts or ticket stubs must accompany the report. A check will be sent to reimburse the Trustee.

## **B.7. BUSINESS PLANS – MANAGEMENT**

1. There shall be a business plan in place for all DII programs. The plans shall include, but are not limited to, current status, historical performance, and expectations for the next year. The budget and high-level strategies including program cost, projections, and funding sources shall be presented at the annual meeting. The quantitative and qualitative outcomes to be compared against performance benchmarks shall be presented in October (or next meeting closest to the beginning of the fiscal year start). Business plans will be approved annually by the Board of Trustees.
2. All non-budgeted program initiatives shall be presented to the Board in a brief concept paper format, prior to preparation of a business plan, for approval.

## **B.8. CONFIDENTIALITY**

It is the policy of Destination Imagination, Inc., that its Trustees and employees may not disclose, divulge, or make accessible confidential information, including information discussed in Executive Sessions, team information and lists, belonging to or obtained through their affiliation with DII, to any persons other than those who have a legitimate need for such information or as authorized by DII. This policy is not intended to prevent disclosure required by law.

## **B.9. CHIEF EXECUTIVE OFFICER SUCCESSION PLAN**

1. The Board of Trustees shall maintain a succession plan that addresses its approach to short term or long-term absence of the Chief Executive Officer.



## 2. Rationale.

- a. The chief executive officer (Chief Executive Officer) position in a nonprofit organization is a key element in the organization's success. Therefore, it is necessary that the functions of the Chief Executive Officer are well understood by senior staff and volunteer leaders to safeguard the organization against unplanned and unexpected change. This kind of risk management is equally helpful in facilitating a smooth leadership transition when it is predictable and planned in advance.
- b. This document outlines a leadership development and emergency and long term succession plans for DII. The purpose of this plan is to ensure that the organization's leadership has adequate information and a strategy to effectively manage DII in the event the Chief Executive Officer is unable to fulfill his/her duties.

## 3. Plan Implementation

- a. The Board of Trustees authorizes the Board Chair to implement the terms of this succession plan in the event of a planned or unplanned temporary or permanent absence of the Chief Executive Officer.
- b. It is the responsibility of the Chief Executive Officer to inform the Board of Trustees of a planned temporary, short-term or permanent absence, and to plan for his or her absence accordingly.
- c. As soon as feasible, following notification of an unplanned temporary, short-term or permanent absence, the Board Chair shall convene a meeting of the Board to affirm the procedures prescribed in this plan, or to modify as needed.

## 4. Priority Functions of the Chief Executive Officer

- a. Chief Executive Officer Job Description
  - i. Serves as Chief Executive Officer, managing and directing operations to achieve objectives of the organization in accord with the strategic plan, policies, directives, bylaws and charter, personally or through subordinate staff.
  - ii. Is an employee of DII, and reports to the Board of Trustees. Develops and presents an annual business plan and budget to carry out the strategic plan. Keeps the Board of Trustees informed of progress toward achieving the mission, strategies, goals and objectives adopted by the Board in the strategic plan, as well as any other information needed to fulfill Trustee responsibilities.
- b. Essential Duties and Responsibilities:
  - i. Takes an active lead while working with the Board of Trustees in the development of the Strategic Plan of DII.
  - ii. Works with all DII-affiliated leaders and volunteers to ensure appropriate and effective communication.

- iii. Provides needed support for the work of the Board and its committees.
- iv. Provides the Board with the data and information it needs to make sound decisions.
- v. Serves as the primary fundraiser for the organization with an emphasis on growing the program and bringing in external partners, generating fundraising opportunities and providing corporate leadership in increasing financial contributions.
- vi. Promotes collaborative problem solving and decision-making processes throughout the corporation.
- vii. Directs the development of a financial plan and annual budget, funding both continuing operations and new initiatives. Maintains good financial control systems and regularly reports on the financial status of the organization.
- viii. Carries out supervisory responsibilities in accordance with organization policies, applicable laws and sound practices.
- ix. Provides oversight of the office in the hiring, training, and evaluation of employees and the related functions and operations of DII.
- x. Reviews reports and other data to determine status and progress in attaining objectives. Regularly reports to the Board, recommending revision to objectives, plans and activities as needed to deliver a continuously improving program. Initiates appropriate action to correct unsatisfactory results.
- xi. Directs the development of public relations policies to carry out the strategic plan.
- xii. Presents DII in a positive manner to all stakeholders.
- xiii. Is responsible for keeping all programs current to educational and creative process standards.
- xiv. Maintains a program of continuous program improvement giving attention to the product delivered to the customers of DII.

5. Key functions of the Chief Executive Officer and corresponding temporary staffing strategy.

<b>Key Chief Executive Officer Functions</b>	<b>Temporary Staffing Strategy</b>
Leadership and Vision	Board Chair assisted by the Vice Chair
Board Administration and Support	Board Executive Secretary
DI Programs and Affiliate Support	Program Oversight, Board Chair, DII Program Director, GF Director, and Education Director
Financial Management	Finance Chair, Board Chair, and Controller
Key Chief Executive Officer	Board Chair, Director of Organizational Development and Director of Internal Operations
Human Resources/staffing	Board Chair and Management Chair
Community and Public Relations	DII Staff Communications Team

The positions assigned in the Temporary Staffing Strategy are based on DII’s organization structure. In the event this plan is implemented and assigned positions are vacant or no longer available, the Board Chair shall select other senior staff to support each of the key Chief Executive Officer functions.

6. SHORT TERM —succession plan in the event of a temporary, planned, or unplanned absence of up to 90 days.

a. a. Definitions

- i. A temporary absence is one in which it is expected that the Chief Executive Officer will return once the events precipitating the absence are resolved.
- ii. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave such as vacation or a sabbatical.
- iii. A temporary absence is 30 days or less.
- iv. A temporary short-term absence is between 30 and 90 days.

b. b. Temporary Staffing Strategy

- i. For temporary planned or unplanned absences of 30 or fewer days, the Temporary Staffing Strategy described above may become effective.
- ii. In the event of a temporary short-term planned or unplanned absence, the Executive Committee shall determine if the Temporary Staffing Strategy is sufficient for this period of time.

c. c. Appointing an Acting Chief Executive Officer

- i. Based on the anticipated duration of the absence, the anticipated return date, and accessibility of the current Chief Executive Officer, the Board may appoint an Acting Chief Executive Officer, as well as continue to implement temporary staffing strategies.
- ii. Standing Appointees to the Position of Acting Chief Executive Officer

- The first position in line to be Acting Chief Executive Officer is the current

Board Chair

- The second position in line is a previous Board Chair or current Board Member.
- The third position in line is Director-level staff.
  - In the event the available staff is new to the position or fairly inexperienced with DII, the Board may consider another appointee or the option of

splitting executive duties among designated appointees.

iii. The Chief Executive Officer shall develop a training plan and review it annually with the Board for each Director-level position for each of the key functions of the Chief Executive Officer listed in Section 4 The Chief Executive Officer shall maintain a plan for up-to-date training of staff in the event of the Chief Executive Officer's absence.

iv. Authority and Restrictions of the Acting Chief Executive Officer

- The Acting Chief Executive Officer shall have full authority for day-to-day decision-making and independent action as the regular Chief Executive Officer.
- Decisions that shall be made in consultation with the Board Chair and/or Board include staff hiring and terminations, financial issues, taking on a new project, and taking public policy positions on behalf of the organization.
- The Acting Chief Executive Officer shall maintain open communication with the Board Chair who in turn will provide status reports to the Board.

v. Compensation

- 1) Director-level staff appointed as Chief Executive Officer may receive an end of year bonus or additional benefit. This shall be determined by the Board based on the duration of the assignment and available resources.
- 2) A current or former board member appointed as Acting Chief Executive Officer may enter into an independent contractor agreement, depending on the circumstances of the person's availability.

1)The Chief Executive Officer on leave is eligible for disability insurance.

vi. Board Oversight and Support to the Acting Chief Executive Officer

- The Acting Chief Executive Officer reports to the Board Chair. In the event the Board Chair becomes the Acting Chief Executive Officer, the Vice Chair shall be appointed BoardChair.
- The Board shall be alert to the special support needs of the Acting Chief Executive Officer in this temporary role. The Executive Committee shall convene meetings as needed to support the Acting Chief Executive Officer.

vii. Communications Plan

- Within 48 hours after an Acting Chief Executive Officer is appointed, the Board Chair and the Acting Chief Executive Officer shall meet to develop a

communications plan including the kind of information that will be shared and with whom.

- As soon as possible, the Board Chair and Acting Chief Executive Officer shall communicate the organization’s temporary leadership structure to the staff, the Board, and key supporters.
  - Within 5 business days, the Board of Trustees shall distribute a press release with general information appropriate to the situation to the Board of Trustees, the DII community, and all key supporters.
7. LONG-TERM succession plan in the event of a temporary, unplanned absence of 90 days or more
- a. Procedures
    - i. Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following addition.
    - ii. The Board shall give immediate consideration, in consultation with the Acting Chief Executive Officer, to temporarily filling the management position left vacant by the Acting Chief Executive Officer, or reassigning priority responsibilities where help is needed to other staff. This is in recognition that, for a term of 90 days or more, it may not be reasonable to expect the Acting Chief Executive Officer to carry the duties of both positions.
  - b. The Board Chair and Management Committee Chair are responsible for gathering input from staff and reviewing the performance of the Acting Chief Executive Officer. A review shall be completed between 30 and 45 days of the Acting Chief Executive Officer acquiring the position.
  - c. If staff serves as Acting Chief Executive Officer for six months or more, the Board may consider a salary adjustment.
8. PERMANENT succession plan in the event of a permanent unplanned absence.
- a. A permanent absence is one in which it is definitively determined that the Chief Executive Officer will not be returning to the position.
  - b. Procedures
    - i. Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following additions.
    - ii. The Board shall consider the need to hire an Interim Chief Executive Officer from outside the organization instead of appointing an Acting Chief Executive Officer. This decision shall be guided, in part, by internal candidates for the Chief Executive Officer position, the expected time frame for hiring a permanent Chief Executive Officer, and the management needs of the organization at the time of the transition.
    - iii. The Board of Trustees shall appoint a Transition Committee to implement the Chief Executive Officer Succession Plan to transition to a new a permanent Chief Executive Officer. At minimum, the members should be the Board Chair, the Vice Chair, the Secretary, and Treasurer. Others may be appointed as needed.

c. Chief Executive Officer Candidate Profile

- i. People Person—interacts easily with people of diverse backgrounds and ages.
- ii. Global Thinker – sees and understands the long range implications, consequences, and benefits of decisions.
- iii. Team Player – supports the entire work team whether paid or volunteer.
- iv. Problem Solver – uses a wide variety of formally recognized problem solving skills. Able to proactively resolve interpersonal issues successfully.
- v. Courageous – capable of making difficult and bold decisions, taking calculated risks, and reformulating plans as needed.
- vi. Effective Leader-capable of invoking and maintaining a shared vision between Chief Executive Officer, staff, and constituencies.
- vii. Goal Oriented – strives to achieve goals for self and the organization through objective evaluation.
- viii. Effective Communicator – effectively, openly, and clearly shares ideas with others. Keeps all key constituencies well informed.
- ix. Supporter of Education – understands issues and opportunities with public schools, private schools, and home schools and how DI might impact them all. Recognizes the value of lifelong learning.
  - x. Face of the Organization – the Chief Executive Officer shall maintain good relationships and support all levels of the DI organization including the Board , staff, business partners and sponsors, Affiliate and Regional Directors, school coordinators, and young people.
- x. Prior executive or leadership experience and nonprofit management experience desirable.
- xii. Strong financial background or experience.
  - i. The Board Chair will in consultation with the Board of Trustees hire a search firm to direct the process of hiring an Chief Executive Officer, presenting at least three candidates to be interviewed.

The Search Committee will assume responsibility for oversight of the search process and presenting Chief Executive Officer candidates to the Board of Trustees.

- ii. The Executive Committee shall convene an emergency meeting within a week of notice to select an Executive Search Firm, review the overall process including the hiring procedures, and initiate a dialog with the search firm. Any contract signed by DII shall be reviewed and approved by DII Legal Council and the Executive Search Committee.

- iii. The Board Chair and the search firm shall establish a detailed schedule covering the search process from the hiring of the search firm to the hiring of the new Chief Executive Officer. This schedule will form the basis for tracking the process and providing status to the Board.
- d. Soliciting Candidates
  - i. The search firm shall conduct a search and review all submitted resumes to determine which candidates are qualified for the position. In turn, the resumes shall be submitted to the BOT Search Committee for review. All candidates must go through the search firm to be considered.
  - ii. Periodic status reports on the solicitation process shall be provided to the Board based on a schedule negotiated with the Executive Search Firm and the Transition Committee.
- e. The BOT Search Committee in conjunction with the Executive Search Firm shall determine a process for the interviews and selection process. The actual process is left open to all for input and possible use of industry best practices introduced by the search consultant. This may include an interview process, candidate ranking and selection processes.
- f. Presenting a Candidate for Hire
  - i. The BOT Search Committee may make a recommendation for hire, with a written basis for the recommendation of a single candidate, but shall present up to six (6) candidates to the Board for consideration.
  - ii. The Board shall review all candidates presented for consideration and the basis for the Search Committee recommendation(s) for hire. The Board may elect to interview a single candidate or list of candidates submitted for consideration.
  - iii. All candidates selected for face-to-face interviews by the Board will be invited to a designated location. Interviews will be scheduled to minimize travels expenses and time.
  - iv. The Search Committees recommendation is not considered a motion for hire by the Board of Trustees.
  - v. a. After all interviews of the candidates submitted for consideration are completed. The Board may elect to vote for authorization to hire a candidate by motion and second from the floor. Approval to hire will require a two-thirds majority of the voting Board of Trustees present. Approval by the Board will provide authorization for the Board Chair to offer the position to the selected candidate once the standard background checks are successfully completed. This authorization will provide limitations for salary and benefit negotiation. The Board Chair and Vice Chair then have the authority to finalize contract terms and execute an approved contract within those terms. Approval to exceed these pre-approved terms will require a majority vote of the Board prior to offering or reaching agreement with the candidate.
  - vi. Personal credit history as well as civil and criminal background checks (as allowed by existing law) will be considered as part of the investigation of the candidate for hire.

- vii. If a candidate fails to receive a two-thirds majority vote, he or she cannot be offered employment as Chief Executive Officer. and the Executive Search Firm shall be requested to continue solicitation of an acceptable candidate. The Executive Search Firm shall also be requested to continue solicitation of an acceptable candidate if contract terms cannot be settled with an approved candidate.
- g. Contract Terms and Conditions
- i. The existing contract for the Chief Executive Officer should be reviewed by the Search Committee and used as a basis for establishing the contract for offer to a Chief Executive Officer candidate. The existing terms and conditions may be customized to match the qualifications of the candidate.
  - ii. Legal approval is required prior to finalizing contract terms and conditions.
  - iii. The Search Committee may elect to provide a consultant or other qualified individual to handle negotiations.
  - iv. The term of the contract will be reviewed and approved by the Board of Trustees, including whether automatic renewal should be offered.
  - v. The salary range established by the Search Committee and approved by the Board shall be based on best practices and nonprofit industry standards nationwide.
  - vi. Benefits to be provided in the employment package must also be reviewed.
  - vii. A signing bonus and/or relocation costs may be considered but must be approved by the Finance Committee of the Board prior to making an offer.
- h. Transition Period
- i. A transition period should be instituted for the health of the corporation. The duration of this period may vary depending on circumstances but, optimally, should consist of the following.
  - ii. The Board, at its discretion, may reorganize staff during a transition or absence of the Chief Executive Officer to account for any potential shortcomings of the new Chief Executive Officer.
  - iii. Transition of daily operations should effectively be accomplished in the first thirty days. The outgoing Chief Executive Officer should pass information and responsibility of these areas to the new Chief Executive Officer in an orderly and expeditious manner, if applicable.
  - iv. The outgoing Chief Executive Officer, if applicable, should effectively transition responsibility in other roles to the new Chief Executive Officer as quickly as possible but the overall transition of knowledge and acceptance may be as much as a one-hundred day process (term to be determined by the Search Committee) with special attention provided to:



- The Board of Trustees
    - Program Leaders of Destination Imagination, Inc., programs
  - Affiliate Directors
  - Sponsors
  - Other stakeholders in Destination Imagination Inc.
- v. The Executive Committee will make itself available to assist the new Chief Executive Officer through the initial year of employment.

## **B.10. BOARD OF TRUSTEES SELECTION POLICY** [as amended 5/21/23]

1. Triggering of the Selection Process. The Board of Trustees authorizes and directs the selection of new trustees under three circumstances:
  - a. As part of a regular cycle of selecting trustees. Typically, the Board will not initiate this cycle more than two times per year.
  - b. The Nominating Committee recommends to the Board of Trustees the evaluation and possible selection of one or more trustee candidates, and the Board authorizes such evaluation and possible selection.
  - c. A Trustee dies, resigns, or is removed from office, and the Board authorizes and directs the selection of a replacement.
2. Selection Process Overview.
  - a. If potential candidate(s) come to the Nominating Committee's attention prior to Board authorization to commence the trustee selection process, the committee may recommend to the Board that it be authorized to consider the candidate(s) outside the normal selection cycle.
  - b. The Nominating Committee will only commence the trustee selection process if the Board has authorized it to do so. The Board must specify the number (or a range of numbers) of seats to be filled. The Board may specify a preference or requirement for trustee candidates with specific characteristics or skill set(s).
  - c. The committee will provide to the Board an anticipated schedule of events leading to the selection of trustee(s), including the dates of the opening and closing of the application period, the period for candidate interviews, the date the committee will determine its recommendations, the date proposed for Board selection of candidates, and the date the new trustee(s) will commence their term(s). The committee will provide the Board with regular updates to the schedule.
  - d. Once authorized to commence the selection process, the committee will prepare a vacancy announcement containing a description of DII, the responsibilities of and expectations for Board members, the desired skills and expertise, and the selection process and its timing.

- e. The vacancy announcement will be publicized by DII staff on the DII website and social media accounts, and on suitable websites and social media platforms. Trustees are strongly encouraged to identify and recruit potential candidates.
  - f. DII will hold a number (typically three) of videoconference information sessions for prospective candidates. At least one of these sessions will be recorded. Participation in one of these sessions, or review of the video recording, is mandatory for trustee candidates.
  - g. DII will offer prospective candidates the opportunity for a one-on-one videoconference session with a senior DII official (Board President, Board Vice-President, Board Secretary, or Chief Executive Officer). This opportunity is optional.
  - h. The deadline for formal application will be at least 30 days after the vacancy announcement is publicized, and after the videoconference sessions.
  - i. Once the deadline for formal applications has passed, the Nominating Committee will meet to screen the candidates and identify those to be interviewed. Candidates not selected for an interview will be promptly advised.
  - j. Prior to candidate interviews, the Nominating Committee will contact the references of the candidates to be interviewed. References may be checked by individual committee members, who will furnish a written or oral report of the results of the inquiry to the committee.
  - k. The Nominating Committee will interview selected candidates individually via videoconference. Ideally, the interviews will take place at staggered intervals on a single weekday.
  - l. Following the candidate interviews, the Nominating Committee will meet to select the candidates to be recommended to the Board.
  - m. The Board will select the candidates, if any, to be offered positions on the Board. A majority vote of the Board is required to be elected to the Board of Trustees. All selections will be subject to satisfactory completion of a background check. Selected and non-selected candidates will be promptly notified.
  - n. Following the candidate selection, the DII staff will commission background checks on the selected candidate(s).
3. Application Requirements: The application for consideration for a trustee vacancy will consist of the following elements:
- a. Full Name
  - b. Address
  - c. Contact Information
    - i. Phone Number
    - ii. Email Address
  - d. At least two references with contact information

- e. A statement as to why the candidate is interested in serving as a DI Trustee, including a list of personal and professional skills that the candidate would bring to the Board

The documentation must be submitted in an electronic format to the email address specified in the vacancy announcement. Each application will be furnished to the members of the Nominating Committee.

4. Selection of Trustees by DIAD. The above trustee selection procedures do not apply to the DIAD-selected candidates. DIAD-selected candidates must meet the qualification requirements set forth in Article 3, section 2, of the DII Bylaws. DIAD may have its own procedure for selecting Trustees.
5. New Trustee Onboarding Process:
  - a. Newly-selected trustees will be asked to sign the following documents:
    - i. Trustee Membership Agreement
    - ii. Trustee Code of Conduct
    - iii. Conflict of Interest Form

The Board Liaison will maintain the signed documents.

- b. The Board President and Board Liaison will be responsible for ensuring that newly-selected trustees are added to the DI website, Board rosters, and Board email groups, and that the trustees they are replacing are removed.
    - c. The Board Secretary will assign a mentor to each newly-selected trustee, from among trustees volunteering for such assignment. Mentors will be responsible for providing information about the Board's internal procedures and operations, answering questions, and otherwise assisting the new trustees in becoming fully-functioning members of the Board.
    - d. As soon as possible after new trustees are selected, the Board President will assign them to one or more committees, taking into account the needs of the committees and the preferences of the new trustees.
6. Commencement of Term. Trustees selected by the Board will take office on a date specified by the Board at the time of selection (preferably on the first day of a calendar month). Trustees selected by DIAD will take office on the day after their predecessor's term concludes. In no event will a trustee take office prior to receipt by DII of a satisfactory background check.
7. Renewal of Term for Sitting Trustees. The process whereby trustees nearing completion of their first term of office are evaluated and selected for a second term of office is governed by Policy B.11.

## **B.11. CURRENT TRUSTEE REVIEW AND RENEWAL PROCESS** [as amended 5/21/23]

1. Trustees selected to the Board of Trustees are selected to serve a possible two terms not to exceed a limit of eight years. After the first four-year term, each Trustee must be reviewed for renewal before the second and final four-year term is awarded. This process establishes the requirements of this process.
2. ALL communication involving Trustee performance and/or renewal is committee-limited information and may NOT be disclosed outside the committee, except in Executive Session of the full Board of Trustees.
3. This process is limited for use in evaluating and renewing the terms of Trustees currently seated on the Board of Trustees. Trustees seated by privilege of election by DIAD to serve as President or Vice President of DIAD, or general members elected by DIAD, are exempt from this process and will follow DIAD's election process.
4. If terms on the Board dictate that an open selection process be conducted, this evaluation MUST be conducted before that process begins. If Trustees time out, requiring a new selection process, the review of current Trustees open for a second term must be complete BEFORE initiating a new selection process.
5. Following are the steps in evaluating and making a determination for a second term:
  - a. In a closed meeting of the Nominating Committee, the candidate up for renewal shall be reviewed in light of the following:
    - i. The DII Volunteer Code of Conduct
    - ii. DII Policy Section B.12, Board Member Roles and Responsibilities
    - iii. Committee Performance
  - b. After that discussion, the committee will vote: either to recommend to the Board that the Trustee be renewed for a second and final four years, or proceed with part "c" below. The recommendation by the committee must be passed by a majority vote of the whole Board to take effect.
  - c. If the committee has significant concerns with a Trustee's lack of performance, it may choose to have a discussion with the Trustee. Depending on the circumstances, the meeting may be conducted with the full committee or be limited to the Nominating Committee Chair and the Board Chair. The results of the meeting will be discussed with the committee and a vote taken. If successful, a recommendation to renew is sent forward. If the committee votes not to renew, the Trustee in question is given the right to retire at the end of the current term, or to go through the full selection process again. If successful in running for re-election, the Trustee earns the final four years.
  - d. In all cases the Nominating Committee will present the entire Board with a full report and disclosure before a vote on the committee's recommendation.

## B.12 BOARD MEMBER ROLES AND RESPONSIBILITIES

1. A Board member's role is to serve the mission of DII by providing leadership in governance, establishing policy, planning strategically, and serving actively as an ambassador of good will, adhering to the Code of Conduct and modeling respect for others.
2. Board Member Responsibilities
  - a. Governance
    - i. Complete an annual statement of commitment of board service to the organization.
    - ii. Complete an annual assessment of Board service.
    - iii. Participate in the annual assessment of the Chief Executive Officer.
    - iv. Assist the Governance Committee in identifying potential Board members to fulfill organizational needs.
    - v. Establish fiscal policy and boundaries, with budgets and financial controls.
    - vi. Execute strategic planning activities and fiduciary responsibilities.
  - b. Board Meeting Attendance Policy [as amended 9/15/21]
    - i. The Board holds a minimum of two in-person meetings (subject to logistical and budgetary constraints) and four teleconference meetings each year. Proposed dates for both in-person and teleconference meetings will be discussed at the final Board meeting of each preceding fiscal year. The Chair will make a reasonable effort to accommodate scheduling requests and preferences of Board members. Board members will make schedule requests in good faith.
    - ii. The Board may be convened on an as-needed basis at the discretion of the Board Chair for good cause.
    - iii. Attendance at an in-person meeting may be by electronic means.
    - iv. To ensure effective functioning, stewardship, and decision-making, Board members are expected to participate in at least four Board meetings each year.
  - c. Board members will: [as amended 9/15/21]
    - i. Contribute meaningfully to the business at hand. Use personal or professional knowledge in support of Board programs and to advise the Board Chair and/or the Chief Executive Officer on any matters where specialized knowledge is pertinent.
    - ii. Be an active, dedicated, and contributing member of at least one standing Board committee. If the chair of a committee has concerns about the participation level of a committee member, the chair will communicate those concerns first to the member and then, if necessary, to the chair of the Management Committee and the Chair of the Board.
    - iii. Assist in the evaluation and coordination of projects and programs of the Board.

- d. Lack of performance may constitute grounds for removal as a Trustee, as defined in DII Policy B.3.10, and DII Bylaws (Article 3, Section 5).
3. Trustee Member Agreement [as amended 9/15/21]

## Trustee Member Agreement

As a Trustee of the Destination Imagination, Inc. Board, I am fully committed and dedicated to the mission and have pledged to carry out this mission. I understand that my duties and responsibilities include the following:

1. In concert with the other Trustees, I will demonstrate my fiscal responsibilities for this organization. I will know what our budget is and take an active part in reviewing, approving, and monitoring the budget and fundraising to meet the budget.
2. I know my legal responsibilities for this organization and those of my fellow Trustees. I am responsible to know and oversee the implementation of policies and programs.
3. I accept the Bylaws and I understand that I am morally responsible for the health and well-being of this organization.
4. I will make an annual financial donation to the organization. I may give this as a one-time donation each year or I may pledge to give a certain amount several times during the year.
5. I will actively engage in fund raising for this organization. This may include individual solicitation, undertaking special events, mail appeals, etc. I will make a good faith effort to do my best and to bring additional financial support to the organization.
6. I will actively promote Destination Imagination, Inc., and encourage and support its staff.
7. I will attend Board meetings, be available for phone consultation, and serve on at least one standing committee. If I am not able to meet my obligations as a Trustee, I will offer my resignation.
8. I will respect the other members of the Board, the staff, the sponsors, the volunteers on all levels and the customers of Destination Imagination, Inc. The Trustee's job is to ensure that the agency is well managed, not to manage the agency.
9. I consider myself a Trustee of the organization and will do my best to ensure the agency is well maintained, financially secure, growing and operating in the best interests of our participants.

Signed \_\_\_\_\_ Date \_\_\_\_\_ Trustee

Signed \_\_\_\_\_ Date \_\_\_\_\_ Board Chair

Board Member Self-Evaluation

Board Member:	Yes	No	Not Sure
1. Do I understand and support the mission of the organization?			
2. Am I knowledgeable about the organization’s strategic plan and can evaluate progress toward goals and the programs and services offered?			
3. Do I follow trends and important developments related to this organization?			
4. Do I assist with fund raising and give or obtain funding annually to benefit the organization?			
5. Do I read and understand the organization’s financial statements?			
6. Do I have a good working relationship with the Chief Executive Officer?			
7. Do I recommend individuals for service to this board?			
8. Do I prepare for, attend, and participate in Board meetings and committee meetings?			
9. Do I act as a good-will ambassador to the organization?			
10. Do I stay actively involved in the activities of the organization?			
11. Do I find serving on the Board to be a satisfying and rewarding experience?			

I could better serve the Board if:

Comments



## B.13. CONFLICT OF INTEREST POLICY

1. Any director, officer, or key employee who has an interest in a contract or other transaction presented to the Board of Trustees or committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. This includes the payment of compensation or other remuneration to such persons for services rendered to the organization. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction, which might reasonably be construed to be averse to DII's interest. For purposes of this policy, a director, officer, or key employee is also considered to have an interest in a contract or other transaction if any member of his or her immediate family, or any party, group, or organization to which his or her immediate family or any party, group, or organization to which he or she or his or her immediate family has an allegiance has an interest in the contract or other transaction.
2. The body, to which such disclosure is made shall thereupon determine, by a vote of seventy-five percent of the votes entitled to vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such interested person shall not vote on, nor use his/her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present but may not be counted when the Board or a committee of the Board takes action on the transaction. The minutes of the meeting shall reflect the disclosure, the vote thereon, the abstention from voting and participation, and any information relied upon by the Board in reaching its determination regarding such contract or transaction.
3. Any director, officer or key employee who has a concern that another director, officer or key employee has a conflict of interest should make known that concern to the Board Chair.

# DESTINATION IMAGINATION, INC. CONFLICT OF INTEREST POLICY

## DISCLOSURE STATEMENT

I have carefully read the Conflict of Interest Policy for Destination Imagination, Inc. (“DII”) and, in signing this disclosure, I have considered not only the literal expression of the policy but also its intent. I hereby state that, except at hereinafter stated, I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests or concerns of DII, nor does any member of my immediate family or any party, group, or organization to which my immediate family has, nor I have, an allegiance, has or have such a competing interest or concern, except as follows:

None;

I have the following interest:

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Please report below (and update as needed) all other organizations you serve at this time and other relevant relationships which are addressed in this conflict of interest document.

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If any situation should rise in the future which I think may involve me in a conflict of interest, I will promptly and fully, before any discussion or action is taken on the matter, disclose, in writing, the circumstances to the Chair of the Board of DII.

NAME (Please print) \_\_\_\_\_

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

(Please return to DI HQ Board Liaison upon signing)

## **SECTION C: DESTINATION IMAGINATION PROGRAM POLICIES** [as amended 11/15/23]

### **C.1. SPONSORSHIPS**

1. DII will propose, and entertain proposals for, sponsorship by companies and organizations whose corporate mission and history is consistent with the DII principles of good citizenship, teamwork, creative problem solving, cooperation, and contribution to an improved global quality of life. Direct sponsorship is prohibited from companies primarily involved in the production or sale of alcohol, tobacco, recreational drugs, promotion of violence in media, or anything else detrimental to the good name and image of DII.
2. DII will develop contractual sponsorship agreements in the best interest of Affiliates, allied organizations, and participants that will support DII goals and objectives and reflect the market interests of corporate sponsors.
3. Sponsors will be encouraged by DII to establish affiliate sponsorships on a local basis to the extent possible.

### **C.2. DESTINATION IMAGINATION TEAM FEES**

1. The Board will annually review whether team fees should be adjusted. Increases or decreases in team fees must be approved by the Board at least one year prior to the affected program year, unless special circumstances require later Board action. Increases or decreases will be promptly communicated to Affiliate Directors and to the DII community.

### **C.3. INTERNATIONAL PARTICIPATION**

1. The Chief Executive Officer will establish a pricing system for international participants that takes into account differences in currency values and local purchasing power in comparison to the United States cost of products offered.

### **C.4. AFFILIATE LICENSE AGREEMENT**

1. An Affiliate is an organization licensed by DII to promote and administer the DII Challenge Program in a specific geographic territory.
2. The Affiliate License Agreement is the responsibility of the Chief Executive Officer, and is only to be distributed after approval by the Board. The License Agreement is for a term specified in the agreement, not to exceed two years.
3. An Affiliate License Fee structure for all Affiliates will be set by the Chief Executive Officer and approved by the Board.

4. The Chief Executive Officer is authorized to enter into negotiations with an Affiliate, when required, to add an addendum to the standard License Agreement. All addenda to the standard License Agreement that have significant operational or financial materiality must be approved by the Board prior to execution.

## C.5. TEAM ADVANCEMENT AT TOURNAMENTS

1. Affiliates may set their own policy on the number of places (first, second, third, etc.) that advance in each challenge and level from one level of competition to the next within the Affiliate.
2. Advancement of teams to Global Finals will be determined as provided in the Affiliate License Agreement.
3. A team located within the territory of an Affiliate may participate in Global Finals only if the team has participated in at least one regional or affiliate tournament during that program year. This provision does not apply to university-level teams.

## C.6. GLOBAL FINALS

1. The Global Finals tournament will be held annually.
2. To the extent financial circumstances permit,
  - a. Trustees will be provided room and board at Global Finals and travel expenses to and from the event. Trustees are encouraged to assume their own travel expenses or to make a contribution to DII to defray them.
  - b. Volunteer tournament officials will be provided with room and board at Global Finals.

## C.7. VOLUNTEER CODE OF CONDUCT AND OTHER DII POLICIES

1. DII has developed a Volunteer Code of Conduct, a Youth Protection Policy, and other policies designed to help ensure that all participants in DII programs are treated with courtesy, respect, and positivity in accordance with applicable laws and commonly-accepted principles of decency and fairness. All DII staff, Board members, and volunteers serving in any capacity at a Destination Imagination tournament are required to comply with these standards and policies, and to annually certify in writing their agreement to comply on a form promulgated by the Chief Executive Officer or the Chief Executive Officer's delegate.
2. Violation of the Volunteer Code of Conduct, the Youth Protection Policy, or any other official DI policy may result in any of the following consequences:
  - a. Oral Reprimand – An oral reprimand is a verbal warning to punish or warn individual(s) who have been guilty of a minor violation. An oral reprimand will include the specific nature of the offence and the expected resolution. An oral reprimand will not be documented or retained by DII.

- b. **Written Reprimand** – A written reprimand is a written warning to punish or warn individual(s) who have been guilty of a significant violation. A written reprimand will include the specific nature of the offence and the expected resolution. A written reprimand is retained by DII.
- c. **Suspension** – Depending on the specifics of the violation, an individual’s right to function within DII may be suspended for a time as decided by the Board of Trustees. Suspensions shall not be for a period greater than six months.
- d. **Banishment** – In the case of the most serious violations, it may be necessary to mandate the non-participation of an individual or individuals within any and all programs offered by DII. This may be imposed only by a majority vote of the Board of Trustees and must be formally documented and retained on file by DII. Legal counsel may be consulted during this process. Banishment may be time-limited at the discretion of the Board.
- e. **Legal Action** – All violations of the Code of Conduct that have any risk of litigation must be referred to DII legal counsel for appropriate advice and action.

## C.8. AWARDS

1. Destination Imagination presents five major awards:
  - a. **The Thomas Camerlo Award** – This award is presented by the Board to a corporation, or an individual representing a corporation, that has gone above and beyond a normal sponsorship relationship in providing outstanding service to DII.
  - b. **The Diamond Award** – This award is presented by the Board to an individual or team who has given significant assistance or long time service to DII in a way that has significantly impacted the organization.
  - c. **The Destination Imagination Innovator Award** – This award is given by DII to an individual, organization, or corporation that has significantly impacted the world community in such a way as to make it a better place in which to live.
  - d. **The Spirit of Discovery and Imagination Award** – This award is given by DII to members of our community who demonstrate outstanding and extraordinary levels of sportsmanship, volunteerism, and spirit.
  - e. **The Icon Award** – This award is given by DII to a DI alumnus or alumna who has made a game-changing contribution to their industry and who inspires current DI participants to achieve anything they can do in life.

## C.9 CHALLENGE DEVELOPMENT

1. Team Challenges and Instant Challenges will be developed through a cooperative process by the staff and volunteers. This process will include participation by:

- a. The staff's Global Educational Experiences Team.
  - b. Teams of volunteer challenge-writers.
  - c. A Quality Review Panel (QRP), composed of a broad range of staff members and volunteers. Instant Challenge may have a separate QRP process.
2. The function of the QRP is to conduct an independent evaluation of DI challenge materials to ensure that challenges conform to the tenets and philosophies of DII, are open and inclusive, are of high quality, and are suitable for DI challenge participants.
3. The Chief Executive Officer is responsible for ensuring that the quality review of all program challenges is properly performed.
4. A separate quality review process may be established for DI programs other than Team Challenge and Instant Challenge.

## **SECTION D: FINANCE POLICIES** [as amended 5/23/24]

### **D.1. GENERAL POLICIES**

1. The Chief Executive Officer will develop and implement operational financial policies (including policies regarding investments, internal control procedures, and purchasing practices) reflecting best practices for organizations of DII's character and size.
2. DII's fiscal year begins October 1 and ends September 30.

### **D.2. GOVERNANCE**

1. Through the budget process, the Board will determine annually which activities and programs will be funded. Board decisions and priorities will be based on the Strategic Plan, on long- and short-term objectives, and on recommendations from the Finance Committee and Chief Executive Officer provided through the proposed budget.
2. DII will offer employee benefits commensurate with organizations of similar size and character.
3. DII will offer a matching program for employees who participate in the organization's 403(b) retirement plan. Matching percentages are determined as part of the annual budget process and will be approved by the Board as part of the budget. When budgetary constraints require, the Board may suspend the matching program as part of the annual budgeting process. Matching percentages will not exceed 5% of the employee's salary, but in no case will the matching amount be greater than the amount contributed by the employee.
4. The Board has the following responsibilities relating to DII's finances:

- a. To subject DII’s financial reports to an annual audit by an independent audit firm chosen by the Board on recommendation of the Finance Committee. The firm will annually present its report to the Board.
- b. To be apprised of the organization’s written financial policies governing the following matters:
  - i. investment of the assets of the organization;
  - ii. internal control procedures; and
  - iii. purchasing practices.
- c. Through the budget process, the Board will establish and maintain a financial reserve. To the extent possible without compromising the integrity of DII’s programs, the reserve will provide for at least six months of operating expenses. The Board must authorize any disbursements from this reserve.
- d. To provide employees and volunteers with a confidential means to report suspected financial impropriety or misuse of organization resources.

### **D.3. FINANCE COMMITTEE**

1. The Finance Committee has the following charges with respect to its financial oversight function:
  - a. To recommend a proposed annual budget to the Board.
  - b. To review the current and projected future financial performance of the organization and propose measures to improve that performance for Board consideration if necessary.
  - c. To verify that DII employs personnel, systems, and investment managers who are capable of providing timely and accurate financial information to key decision-makers.
  - d. To review the organization’s investment policies and strategy on a periodic basis.
  - e. To review the organization’s banking relationships on a periodic basis.
  - f. To review the organization’s insurance coverage on a periodic basis.
  - g. To review, through the committee’s chair, the business expenses of the Chief Executive Officer on a quarterly basis.
2. The Finance Committee has the following charges with respect to its audit oversight function:
  - a. To recommend to the Board the appointment of independent auditors.
  - b. To review annually with the Chief Executive Officer the fee arrangement with the independent auditors.
  - c. To review annually the auditors’ independence.

- d. To review with the Chief Executive Officer/Controller and the independent auditors significant accounting and reporting principles, practices, and procedures applied by the organization in preparing its financial statements.
  - e. To discuss with the independent auditors their judgments about the quality of the organization's accounting principles used in financial reporting.
  - f. To review with the Chief Executive Officer/Controller and the independent auditors the organization's accounting and financial reporting controls, and obtain annually in writing from independent auditors a letter regarding the adequacy of such controls.
  - g. To act as the Board's liaison to the independent auditors in an effort to secure the timely and efficient completion of all audits.
  - h. To review the independent auditors' reports and proposed Forms 990 and make recommendations to the Board regarding approval of those documents.
  - i. To make regular progress reports to the Board.
3. The committee must include at least one financial expert who has an understanding of and experience with generally accepted accounting principles (GAAP), generally accepted auditing standards (GAAS), and financial statements. This person should also have an understanding of internal controls and audit committee functions.

## D.4. CONTROLLER

1. The Controller reports to the Chief Executive Officer, who will ensure that the Controller maintains responsible oversight of the organization's receipt and expenditure of funds.
2. The Controller's responsibilities include:
  - a. Preparing accurate and timely financial records in conformance with Generally Accepted Accounting Principles.
  - b. Preparing accurate and meaningful financial reports, which must be comprehensible, concise, all-inclusive, and timely.
    - i. Financial statements will be provided monthly to the Finance Committee at least two days and preferably one week before the monthly Finance Committee meeting.
    - ii. Statements will include the Statement of Financial Position, Statement of Activities, Statement of Cash Flows, and cash flow projection for the remainder of the fiscal year.
    - iii. The Controller will attend the Finance Committee's monthly meeting and review the financial reports with the Committee.
    - iv. The Chair of the Finance Committee will prepare a monthly report to the Board.



## D.5. CHIEF EXECUTIVE OFFICER

1. Any financial obligation in excess of \$25,000 that has not been approved as part of the annual budget must be presented to the Board for approval. Global Finals payments are excluded from this limitation as long as the amounts being paid are within contractual terms.
2. The Chief Executive Officer will execute all contracts as approved within the budget. Any contracts obligating the organization to more than \$100,000 must be co-signed by the Managing Director of Internal Operations.

## D.6 BUDGET

1. DII will operate in accordance with an annual budget developed by the Chief Executive Officer or designee and approved by the Finance Committee and Board prior to the beginning of each fiscal year. The preliminary budget will be presented to the Finance Committee in anticipation of review by the committee and approval by the Board before the beginning of the fiscal year.
2. The Finance Committee will review the budget assumptions and justifications.
3. Based on the recommendation from the Finance Committee, the Board will approve the final budget, ensuring:
  - a. The consistency of the budget with organization policies and Strategic Plan.
  - b. That adequate provision has been made for the establishment and sufficiency of a financial reserve.
  - c. That the proportional allocation of resources is consistent with Board priorities and objectives for the year.

## D.7. INVESTMENT POLICY

1. The purpose of investments is to grow the assets of DII; therefore, the investment policy should be conservative in nature.

## D.8. DONATIONS AND GIFTS

1. The purpose of charitable donations and in-kind gifts is to provide an on-going source of funding to DII, to ensure its short-term and long-term viability.
2. DII solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. DII urges all prospective donors to seek the assistance of personal, legal, and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.
3. The DI Development and Management staff will present to the Board a formal fund-raising plan on an annual basis with quarterly progress updates. Donations will generally be accepted from

individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations.

4. The following types of gifts may be accepted.
  - a. Cash, stocks, bonds, and other Investment Instruments
  - b. Land and real estate
  - c. Trust and bequests in wills
  - d. Insurance policies
  - e. Retirement plan assets
  - f. Unrestricted cash donations
  - g. In-kind gifts
  - h. Other, as determined by the donor and DII
5. DII will accept restricted gifts with consideration for the donor's wishes and DII's financial needs. DII and the donor will work together to determine how restricted gifts will be used. DII may initiate a giving campaign for a specific purpose. Funds raised in this manner must be used in a manner that is consistent with the campaign's mission.
6. The Finance Committee and the Controller will advise the Board as to how to manage non-cash gifts.
7. All decisions to solicit and/or accept potentially controversial gifts or grants will be made by the Chief Executive Officer, in consultation with the Board, with the primary consideration being the impact of the gift or grant on the organization.

## **D.9 DONOR ACKNOWLEDGEMENT**

1. Donor levels will be set by the DI Development Staff. All donations will be acknowledged at the appropriate level by DII and/or the Development Staff.
2. In-kind donations will be acknowledged at the level appropriate for the gift. In-kind donations will be valued by an audit. For all gifts of tangible personal property, the donor must pay all fees associated with getting the property independently appraised.
3. All gifts to DII may be publicly acknowledged, unless otherwise specified by the donor.