



POLICY MANUAL

DESTINATION IMAGINATION, INC.

Revised: September 16, 2022

PREFACE

Explanation Of Terms Used In The Policies Of The Destination Imagination, Inc., Board Of Trustees

1. Destination Imagination, Inc., or DII, refers to the corporation.
2. Destination Imagination® or Destination Imagination refers to the program.
3. Board of Trustees, BOT, or Board refers to the Board of Trustees of the Destination Imagination, Inc., Corporation.
4. Affiliate refers to the licensed state, province, or country organization that runs the DII program.
5. An Affiliate Director is the head of a licensed affiliate and the affiliate liaison to DII.
6. DIAD is the Destination Imagination Affiliate Director Advisory Group.
7. The Headquarters of DII is considered the principal office of the organization.
8. Trustee refers to any member of the Board of Trustees of DII.
9. Those policies, which call for an annual review by the BOT, shall be presented at the annual corporate meeting held at the beginning of the fiscal year.

TABLE OF CONTENTS

SECTION A: CORPORATE BUSINESS POLICIES: page 4

SECTION B. DII BOARD INFRASTRUCTURE: page 11

SECTION C: DESTINATION IMAGINATION PROGRAM POLICIES: page 35

SECTION D: FINANCE POLICIES: page 45

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 (Executive Director or designee) of DII and in consultation with the Management Committee of the BOT when appropriate. The complainant should contact the EEOC officer (Executive Director or, if the complaint is against the Executive Director, 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 Destination Imagination, Inc., has a risk management plan for the organization that is reviewed, updated and presented to the Board of Trustees 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 CONSUMPTION

These policies apply to Regional, Affiliate, and Global Organizations:

1. The consumption of alcohol, or illegal drugs, 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.
2. 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 Destination Imagination, Inc., activities.
3. No Destination Imagination, Inc., funds may be used to purchase alcohol at events where students are present.
4. Alcohol, when available, may only be used in a controlled environment that is not easily accessible to participants of any nearby Destination Imagination, Inc., youth activities.
5. Senior level staff may use DI funds to purchase alcohol in situations where they are entertaining sponsors, potential contributors or other meetings where appropriate.

A.6 CONFLICTING EMPLOYMENT RELATIONSHIP POLICY

Definitions

1. “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.
2. “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” shall include adopted children, stepchildren and minor legal dependents. In addition, the DII

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.

3. “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. Such 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.
4. Covered Person” includes a member of the DII Board of Trustees, a DII officer and any DII employee who would either be in a supervisory or subordinate position to the Conflicted Person.
5. “DII” refers to Destination Imagination, Inc., a New Jersey nonprofit corporation.
6. 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 DII Board of Trustees, (2) DII corporate officers, and (3) a Covered Person who is, 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.
7. 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.
8. Procedures for Dealing with Conflicting Employment Relationships
 - a. The administration of this policy is the responsibility of DII’s Executive Director and its Board of Trustees. It is the responsibility of each Covered Person to disclose immediately to DII’s Executive Director 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 Executive Director, such Conflicting Employment Relationship must be disclosed to the Chair of the Board of Trustees. 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 of the Board of Trustees 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 WHISTLEBLOWER POLICY

1. General

- a. The Destination Imagination, Inc., (“Organization”) 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 the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

2. Reporting Responsibility

- a. 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.

3. No Retaliation

- a. 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 the Organization prior to seeking resolution outside the Organization.

4. Reporting Violations

- a. The Code addresses the Organization’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 of Conduct to the Organization’s 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 the Organization’s open door policy, individuals should contact the Organization’s Compliance Officer directly. Should the employee not feel free to speak with any of the above mention

individuals, he or she should speak with the Chair of the DII Board of Trustees.

5. Compliance Officer

- a. The Organization’s 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 Director Executive and/or the Chair of the Board of Trustees. The Compliance Officer has direct access to the Chair of the Board of Trustees and is required to report to the Chair of the Board of Trustees at least annually on compliance activity. The Chair of the Board of Trustees shall appoint a compliance officer from among the members of the Board of Trustees.

6. Accounting and Auditing Matters

- a. The Chair of the Board of Trustees 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.

7. Acting in Good Faith

- a. 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.

8. Confidentiality

- a. 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

9. Handling of Reported Violations

- a. 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.

10. Signing Requirements

Each employee will sign two copies of this policy as of (this date) or upon hire. One copy will be given to the employee. Another copy will be placed in the employee’s personnel file at the Destination Imagination, Inc., corporate offices located in Cherry Hill, New Jersey.

Compliance Officer: _____

Management Staff: _____

Employee: _____

A.8 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.9 OUTSIDE PROFESSIONAL SERVICE PROVIDERS

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

A.10 ANNUAL BUSINESS PLAN

1. Annually, before August 1, the Board shall review the Annual DII Business Plan. The Executive Director 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.11 STRATEGIC BUSINESS INITIATIVES

1. The Executive Director shall present to the Board any new, strategic business initiatives or opportunities requiring Board approval or review at least 30 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 Executive Director 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.12 SPECIAL PROJECTS POLICY

Purpose

The purpose of this policy is to adopt a procedure for special projects that exceed \$25,000 in non-budgeted cost(s).

Definition

A special project is any proposed **project, conference, association membership, or use of resources** that are NOT identified and funded within the approved annual budget and business plan.

Procedure

For a special project to be considered, it must be presented to the committee with an executive summary (1 to 5 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.

Committee

Vice Chair, Treasurer, and Chair of the Development Committee, for the Board of Trustees and the Executive Director.

A.13 IT RISK MANAGEMENT POLICY

Destination Imagination shall adopt a set of IT oversight principles to assist the Board of Trustees and the DI 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.

A cross-functional IT steering committee shall be established consisting of BOT and staff members. This body will ensure that the organization's needs, related to strategic use of IT, are satisfied.

The Executive Director will be responsible for ensuring that:

- The IT staff stays current with developments impacting the IT function of DI
- IT projects are aligned with the strategic plan and annual Business Plan
- The IT budget aligns with objectives
- There is a plan for IT change management
- There is a plan for Data/information security
- DI has disaster recovery plans and business continuity plans
- 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 on the Board of Trustees 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 2 years and non renewable. The Secretary and Treasurer of the Board shall be elected to a 2 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. Public communication of the Board:

- a. It is the policy of the Board of Trustees to encourage greater understanding between the Board and the various constituencies it serves. The 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. Correspondence definition:

- a. 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. Confidentiality

- a. Policies that deal with personnel and other confidential issues will not be posted to the Web for review.

B.2 BOARD COMMITTEE POLICY

The Board of Trustees will have standing committees in order to effectively fulfill the management responsibilities of the Corporation, the Executive Director may use operational committees at his or her discretion.

1. Board Committees:

- a. 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.

- b. Board committees may be 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.

2. Standing Committees:

The Board of Trustees has established the following Standing Committees:

- a. committee (the four officers of the Board Executive Council)
- b. Finance
- c. Governance
- d. Development
- e. Management
- f. Nominations
- g. In addition, the Board shall have an Audit Committee whose 3 members will be appointed annually for the purpose of overseeing the financial systems and internal controls and the engagement of the external auditor.

3. Ad Hoc and Working Committees:

- a. These committees may be formed or disbanded as determined by the Chair of the Board.

4. Specific Requirements for Board Committees:

5. 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.

6. Committee Membership General Guidelines:

- a. Members are chosen for Board committees 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 Destination Imagination, Inc.

7. Board Member Standing Committee Assignments

- a. Each Board member will serve on at least two Board committees. The Chair of the Board, taking into consideration their areas of interest and expertise, will assign members to Board committees. Committee appointments with the exception of the Audit Committee are for two years and will be made after the Board officer elections are held. The Chair of each Board 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).

8. Committee Chair Responsibility

- a. It shall be the responsibility of each Committee Chair of the Board to identify the charges and tasks from each meeting and send them to the Recording Secretary of the Board 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.

9. Policy Approval Process

- a. The Chair of the Governance Committee will send to the Board any policies the Committee is recommending for approval no later than 5 days before each scheduled Board meeting.
- b. Proposed policies will be reviewed and voted on by the Board.

B.3 BOARD CODE OF CONDUCT

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 Destination Imagination, Inc., 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.

1. Trust each other

- a. 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.

2. Establish common goals

- a. The primary goal of the Board is to fully support the mission and vision of Destination Imagination, Inc. 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.

3. Respect each other

- a. 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 Destination Imagination, Inc., community. As Board members, we will communicate clearly without rancor. We will be responsible and accountable to our teammates and ourselves.

4. Be willing to use the ideas of other team members

- a. 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.
- b. Make decisions together and be appropriate. Individual Board members are obligated to support all Board Decisions.

5. Take pride in the team and its solutions.

- a. 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.
- 6.** We will take pride in our activities and our results. It is the responsibility of Board members to actively support the Executive Director and Board decisions. Every member will take an active role in activities in at least one program in the Destination Imagination, Inc., community.
- 7.** Use the strength of others
- a. The volunteers of Destination Imagination, Inc., 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 Destination Imagination, Inc., 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.
- 8.** Establish and use team roles
- a. 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:
 - b. The Board Chair is the official Spokesperson for the Board
 - c. Board Committee Chairs communicate for their committees with the Board.
 - d. The Executive Director is the official spokesperson for all tactical areas within his or her responsibility.
- 9.** 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.
- 10.** 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

The Destination Imagination, Inc., Board of Trustees shall meet together a minimum of 3 times annually; October, January, and July which will be the annual meeting where the business of the corporation shall be conducted. . In addition, monthly or bi monthly teleconference meetings will be held as needed.

1. Agendas:

- a. Agendas for all scheduled meetings, as per the bylaws, shall be sent to all Board Members five (5) days prior to meetings. All other necessary materials required to conduct business will be made available to each Board member at least five (5) days

prior to each regularly scheduled meeting. Notification for the Annual meeting will be given to all members no later than thirty (30) days prior to the meeting.

2. Minutes of Meetings:

- a. The Recording Secretary for the Board will take notes at the meetings and put them in minute form for the Board's approval. A public set of minutes will be posted on the website.

3. Annual Board goals and meeting schedule will be posted on the DII website after approval by the Board.

3. The official Minutes of meetings of the Board shall be kept on file at the principal office of the organization as a permanent record of the official actions of the Board of Trustees.

4. Executive Sessions Closed to the Public:

- a. Although no formal action may be taken, the Board may conduct closed sessions for the following reasons:
- b. Negotiations
 - i. Personnel
 - ii. Litigation
 - iii. Security and/or Safety
 - iv. Appeals
 - v. Property
 - vi. Disciplinary Procedures
- c. 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. Annual Review of Required Policies:

- a. 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 would need to 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).

- a. 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 Recording Secretary 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 of Trustee meetings will be paid or reimbursed. Destination Imagination, Inc., will not reimburse or pay for any alcoholic beverages.
2. An Expense report will be emailed to Board Members at the conclusion of each face to face meeting and Global Finals. The report should be filled out and returned to the Recording Secretary within 4 (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 programs of Destination Imagination, Inc. 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 preparations of a business plan, for approval.

B.8. CONFIDENTIALITY POLICY

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

B.9. DESTINATION IMAGINATION EXECUTIVE DIRECTOR SUCCESSION PLAN

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

2. Purpose Rationale

- a. The chief executive officer (Executive Director) position in a nonprofit organization is a key element in the organization's success. Therefore, it is necessary that the functions of the Executive Director are well understood by senior staff and volunteer leaders to safeguarding 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 Destination Imagination Incorporated (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 Executive Director 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 Executive Director.
- b. It is the responsibility of the Executive Director to inform the Board of Directors of a planned temporary, short-term or permanent absence, and to plan for their 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 Executive Director at DII

- a. Executive Director Job Description
 - i. Serves as Executive Director, 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 Destination Imagination, Inc., 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 the corporation.
 - ii. Works with all corporate-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 the Corporation.
- 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 of the corporation.
- xii. Presents the corporation in a positive manner to all stakeholders.
- xiii. Is responsible for keeping all programs current to educational and creative process standards.
- xiv. Will maintain a program of continuous program improvement giving attention to the product delivered to the customers of DI.

c. Key functions of the Executive Director and corresponding temporary staffing strategy.

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

The positions assigned in the Temporary Staffing Strategy are based on DI'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 Executive Director functions.

5. SHORT TERM –succession plan in the event of a temporary, planned, or unplanned absence of up to 90 days.
 - a. Definitions
 - i. A temporary absence is one in which it is expected that the Executive Director 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. 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. Appointing an Acting Executive Director
 - i. Based on the anticipated duration of the absence, the anticipated return date, and accessibility of the current Executive Director, the Board may appoint an Acting Executive Director, as well as continue to implement temporary staffing strategies.
 - d. Standing Appointees to the Position of Acting Executive Director
 - i. The first position in line to be Acting Executive Director is the current Board Chair
 - ii. The second position in line is a previous Board Chair or current Board Member.
 - iii. The third position in line is Director-level staff.
 - iv. In the event the available staff is new to the position or fairly inexperienced with DI, the Board may consider another appointee or the option of splitting executive duties among designated appointees.
 - v. Cross-Training Plan
 - vi. The Executive Director 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 Executive Director listed in Section 4
 - vii. The Executive Director shall maintain a plan for up-to-date training of Staff in the event of the Executive Director absence.
 - e. Authority and Restrictions of the Acting Executive Director
 - i. The Acting Executive Director shall have full authority for day-to-day decision making and independent action as the regular Executive Director.
 - ii. 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.
- iii. The acting Executive Director shall maintain open communication with the Chair of the Board of Trustees who in turn will provide status reports to the Board.
- f. Compensation
 - i. Director-level staff appointed as Executive Director 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.
 - ii. A current or former board member appointed as Acting Director may enter into an independent contractor agreement, depending on the circumstances of their availability.
 - iii. The Executive Director on leave is eligible for disability insurance.
 - iv. Board Oversight and Support to the Acting Executive Director
 - v. The Acting Executive Director reports to the Board Chair. In the event the Board Chair becomes the Acting Executive Director, the Vice Chair shall be appointed Board Chair.
 - vi. The Board shall be alert to the special support needs of the Acting Executive Director in this temporary role. The Executive Committee shall convene meetings as needed to support the Acting Executive Director.
 - g. Communications Plan
 - i. Within 48 hours after an Acting Executive Director is appointed, the Board Chair and the Acting Executive Director shall meet to develop a communications plan including the kind of information that will be shared and with whom.
 - ii. As soon as possible, the Board Chair and Acting Executive Director shall communicate the organization's temporary leadership structure to staff, the Board of Directors, and key supporters.
 - iii. Within 5 business days, the Executive Board of Directors shall distribute a press release with general information appropriate to the situation to the General Board of Directors, the DII community and all key supporters
6. 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 Executive Director, to temporarily filling the management position left vacant by the Acting Executive Director, 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 Director to carry the duties of both positions.
 - b. The Board Chair and Management Chair are responsible for gathering input from staff and reviewing the performance of the Acting Executive Director. A review

shall be completed between 30 and 45 days of the Acting Executive Director acquiring the position.

- c. If staff serves as Acting Executive Director for 6 months or more, the Board may consider a salary adjustment.

7. PERMANENT - Succession plan in the event of a PERMANENT unplanned absence.

a. Definition

- i. A permanent absence is one in which it is definitively determined that the Executive Director 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 of Trustees shall consider the need to hire an Interim Executive Director from outside the organization instead of appointing an Acting Executive Director. This decision shall be guided, in part, by internal candidates for the Executive Director position, the expected time-frame for hiring a permanent executive, 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 organization's Executive Succession Plan to transition to a new permanent Executive Director. At minimum this should be the Chair, the Vice Chair, the Secretary, and Treasurer. Others may be appointed as needed.

8. Approvals and maintenance of record

a. Emergency Succession Plan Approval

- i. This succession plan shall be approved initially by the Board of Trustees.
- ii. Thereafter, annually, the Governance Committee shall review the plan and recommend amendments to the full Board as needed.
- iii. Transitional Signatories in the absence of the Executive Director
- iv. During the absence of the Executive Director as defined by this document, the Board Chair, Vice Chair and Treasurer shall have signature authorization for checks and contracts over \$25,000 for the organization. The signature authority of an Acting Executive Director shall be determined by the Board.

b. Maintenance of record

- a. Copies of this plan shall be maintained by all members of the Board of Trustees, Director-level staff and in accordance with document retention requirements.

c. Financial Considerations

- a. It shall be the responsibility of the Finance Committees job to review the organization's finances during an unplanned absence of the Executive Director.

9. Executive Director Candidate Profile

- a. People Person—interacts easily with people of diverse backgrounds and ages.
- b. Global Thinker – sees and understands the long range implications, consequences, and benefits of decisions.
- c. Team Player – supports the entire work team whether paid or volunteer.
- d. Problem Solver – uses a wide variety of formally recognized problem solving skills. Able to proactively resolve interpersonal issues successfully.
- e. Courageous – capable of making difficult and bold decisions, taking calculated risks and reformulating plans as needed.
- f. Effective Leader-capable of invoking and maintaining a shared vision between Executive Director, staff and constituencies.
- g. Goal Oriented – strives to achieve goals for self and the organization through objective evaluation.
- h. Effective Communicator – effectively, openly, and clearly shares ideas with others. Keeps all key constituencies well informed.
- i. Supporter of Education – understands issues and opportunities with public schools, private schools, and home schools and how DI might impact them all and recognizes the value of lifelong learning.
- j. Face of the Organization – the Executive Director shall maintain good relationships and support all levels of the DI organization including the Board of Trustees, Staff, business partners and sponsors, Affiliate and Regional Directors, School coordinators and Young People.
- k. Prior executive or leadership experience and nonprofit management experience desirable.
- l. Strong financial background or experience.

10. Search Committee

- a. The Chair of the Board of Trustees of Destination Imagination, Inc., will in consultation with the Board of Trustees hire a Search Firm to direct the process of hiring a Executive Director, presenting at least 3 candidates to be interviewed. The Search Committee will assume responsibility for oversight of the search process and presenting Executive Director candidates to the Board of Trustees.
- b. 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 initiating a dialog with the Executive Search Firm. Any contract signed by DII shall be reviewed and approved by DII Legal Council and the Executive Search Committee.
- c. The Chair of the Board and the Executive Search Firm shall establish a detailed schedule covering the search process from the hiring of the Search Firm to the hiring of the new Executive Director. This schedule will form the basis for tracking the process and providing status to the Board of Trustees.

11. Soliciting Candidates

- a. The Executive 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 Executive Search Firm to be considered.

- b. Periodic status reports on the solicitation process shall be provided to the Board of Trustees based on a schedule negotiated with the Executive Search Firm and the BOT Search Committee.

12. Interviewing of Candidates

- a. 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.

13. Presenting a Candidate for Hire

- a. 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 of Trustees for consideration.
- b. The Board of Trustees shall review all candidates presented for consideration and the basis for the Search Committee recommendation(s) for hire. The BOT may elect to interview a single candidate or list of candidates submitted for consideration.
- c. . All candidates selected for face to face interviews by the BOT will be invited to a designated location. Interviews will be scheduled to minimize travels expenses and time.
- d. The Search Committees recommendation is not considered a motion for hire by the Board of Trustees.

14. Board of Trustees Approval for Hire

- 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 of Trustees 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 Chair and Vice Chair of the Board 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 of Trustees prior to offering or reaching agreement with the candidate.
- b. 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.
- c. If a candidate fails to receive a two-third majority of the vote of the Board of Trustees, he or she cannot be offered employment as Executive Director 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.

15. Contract Terms and Conditions

- a. The existing contract for the Executive Director should be reviewed by the Search Committee of the Board and used as a basis for establishing the contract for offer to a Executive Director candidate. The existing terms and conditions may be customized to match the qualifications of the candidate.
- b. Legal approval is required prior to finalizing contract terms and conditions.
- c. The Search Committee may elect to provide a consultant or other qualified individual to handle negotiations.
- d. The term of the contract will be reviewed and approved by the Board of Trustees, including whether automatic renewal should be offered.
- e. The salary range established by the Search Committee and approved by the Board of Trustees shall be based on best practices and nonprofit industry standards nationwide.
- f. Benefits to be provided in the employment package must also be reviewed.
- g. 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.

16. Transition Period

- a. A transition period should be instituted for the health of the corporation. The duration of this transition period may vary depending on circumstances but, optimally, should consist of the following:
 - b. The Board of Trustees, at its discretion, may re-organize staff during a transition or absence of the Executive Director to account for any potential shortcomings of the new Executive Director
 - c. Transition of Daily Operations – This should effectively be accomplished in the first thirty (30) days. The outgoing Executive Director should pass information and responsibility of these areas to the new Executive Director in an orderly and expeditious manner, if applicable.
 - d. Transition of other Roles – The outgoing Executive Director, if applicable, should effectively transition responsibility in other roles to the new Executive Director as quickly as possible but the overall transition of knowledge and acceptance may be as much as a one hundred (100) day process (term to be determined by the Search Committee) with special attention provided to:
 - i. Destination Imagination, Inc., Board of Trustees
 - ii. Program Leaders of Destination Imagination, Inc., programs
 - iii. Affiliate Directors of Destination Imagination, Inc.
 - iv. Sponsors
 - v. Other Stakeholders in Destination Imagination Inc., programs
- e. Transitional Support during the first year – The Executive Committee will make itself available to assist the new Executive Director through the initial year of employment.

B.10. BOARD OF TRUSTEES NOMINATIONS POLICY

1. Authority: The Trustee Nominations Process Plan draws its authority from the Destination Imagination (DI) Policy Manual Section B10 as approved by the Board of Trustees. Nominations Committee

2. Role of the Nominations Committee: The Nominations Committee is responsible for the solicitation, vetting and recommendation of a list of potential candidates to fill open seats on the DII Board of Trustees. The Board of Trustees reserves the right to accept or reject each candidate.

3. Selection Process Overview: Following is a summary of Destination Imagination's process for selecting Trustees:

- a. **Authorization:** The Nominations Committee will only act to process a candidate if the DII Board of Trustees has authorized the filling of an open seat on the Board. Otherwise the committee will receive a recommendation and retain it until such authorization is received.
- b. **Personal Contact:** Based on personal knowledge, experience or research, a seated trustee makes the initial personal contact with a candidate to determine interest in serving on the DII Board of Trustees. Under no circumstances can a seated Trustee offer a candidate a seat on the Board without due process. This contact is only to gauge interest.
- c. The seated Trustee notifies the Nominations Committee of the candidate's interest. Required documentation and due date(s) will be sent to interested candidates by the Nominations Committee.
- d. Once the candidate receives and responds to the package, the Committee reviews the material and conducts background checks.
- e. Committee reviews results and recommends candidate(s) to the Board. The Committee may reach out to the candidate to discuss the candidate's background, interest, or clarify any questions.
- f. Upon approval by the Board, the candidate(s) will be notified of the decision by the Committee in writing, and will be asked to sign and return the following forms:
 - g. Trustee Membership Agreement
 - h. Trustee Code of Conduct
 - i. The Chair of the Board and the Secretary will be responsible for providing orientation to the new Trustee(s).

4. Committee Membership: The Committee, led by the Nominations Chair, will include: the Board Chair, Vice Chair, Secretary, and Development Chair, and two to four additional members at the discretion of the committee chair.

5. Authority to Act: The Nominations Committee receives its authority to solicit potential Trustees by a formal motion of the Board of Trustees. This motion must contain the number of open seats to be filled, anticipated terms of office, and timing of the appointment of new Trustees, if the Board elects to fill a vacant seat. The Board may direct the Chair of the

Nominations Committee to fill the vacancies with candidates with specific skill set(s). The motion will indicate whether the seats must be filled with the desired skill set(s) or if the seats may be filled by qualified individuals regardless of skill set(s).

6. Candidate Search: The Nominations Committee shall use whatever means necessary to find the individuals who have the required skill sets and expertise to contribute as a Trustee. All Trustees will be encouraged to recruit applicants.

7. Schedule: The Chair of the Nominations Committee shall submit a schedule to the Board detailing the anticipated schedule of events leading to the selection of a Trustee(s). The schedule is submitted for Board comments, but not for Board approval. The Chair of the Nominations Committee shall provide the Board with regular updates and process status. The schedule may include the following:

- a. Date of Board Authorization
- b. Date of Opening of Solicitation Period
- c. Closing of Solicitation Period
- d. Q&A Session (To be scheduled with each candidate as required)
- e. Completion of Board Review
- f. Introduction of Candidate Slate to DII Board
- g. Notification of Candidates

8. Application Requirements: The application for consideration in the Selection Process will include the following elements:

- Full Name
 - Address
 - Contact Information
 - Phone Number
 - Email Address
 - Attachments to Application shall include:
 - Full professional resume including DI involvement (if any)
 - Provide two (2) references with contact information
 - Provide a Statement of why the candidate is Interested in serving on the DII Board
- a. Provide a Statement as to any potential conflict of interest(s). A conflict of interest is defined as the circumstance of a trustee whose personal interests might benefit from his or her official actions or influence.
 - b. Provide a statement as to why you are interested in serving as a DI Trustee, including a list of personal and professional skills that you would bring to the Board (as applicable)
 - c. The application must give Destination Imagination permission to do a background check.

Once complete the documentation must be submitted in an electronic format to the chair of the Nominations Committee.

9. Evaluation Process:

- a. The Board Recording Secretary will be responsible for obtaining the background checks. This information will be submitted to the Committee Chair for release to the Committee. The Board Recording Secretary is NOT a member of the Committee, but provides the committee this service. Copies of the back ground checks will be retained by the Board Recording Secretary at DIHQ.
- b. Once the electronic documentation is received it will be distributed to the Nominations Committee. Distribution is strictly limited to the Nominations Committee. All candidate data including the background check information will be labeled "Proprietary to the Nominations Committee."
- c. References may be checked by committee member(s) who in turn will send the committee a report of the results of the inquiry. Access to all such reports will be limited to members of the committee.
- d. The Chair of the Board shall schedule Q&A sessions with candidate(s). Depending upon circumstances, these sessions may be done in person or by telephone.
- e. Questions specific for each candidate may be sent to the candidate prior to the interview.
- f. If the committee fails to find candidates that have the required skill set, or if candidates fail to pass their background checks or conflict of interest review, the committee has the right to report back to the Board that the search was unsuccessful and request Board direction.

10. Board Review: The Chair of the Nominations Committee, or their designee, shall present the slate of candidate(s) for approval of the Board.

11. Board Approval: A majority vote of the Board is required to be elected to the Board of Trustees

12. Candidate Notification: Upon approval, the candidate(s) will be notified of the Board of Trustee's decision. This will be done in writing and include the following documents for their signature.

1. Trustee Membership Agreement
2. Trustee Code of Conduct

The selection process will be considered complete once the forms are received by DIHQ. The Board Liaison will maintain these documents.

13. A Casual Vacancy: A casual vacancy is defined to have occurred where a Trustee does not complete their full term of office. This includes a person selected and approved as a Trustee but who informs the Board that he/she cannot or will not take office. The Board may appoint, by a 2/3-majority vote, a Trustee to serve in place of the one who resigned or cannot serve until the completion of his/her term expires

14. Ethics – Service on the Nominations Committee has a direct impact on the future of Destination Imagination. ALL activities and decisions of the Committee MUST meet with the

highest ethical standards of fairness and professionalism. Any potential ethical violation shall be addressed by the DI Board of Trustees.

15. The above Board Member selection procedures do not apply to the DIAD-elected candidates. DIAD elected candidates must meet the qualification requirements set forth in Article 3 section 2 of the Destination Imagination Inc. Bylaws. DIAD may have its own procedure for selecting Board Trustees, which will include the following:

- a. DIAD will have a nominations committee to select and certify candidates. Only Licensee Appointed Representatives as designated by each Affiliate in its License Agreement may nominate candidates for the five DI Affiliate designated Board of Trustee seats. A DIAD BoT member shall sit on this nominations committee. The BoT will advise DIAD as to which qualities or skill sets the BoT currently seeks in prospective Board members. All candidates for DI Affiliate BoT seats must submit a recent background check verification or successfully complete a criminal background check before the election conducted by DIAD is held. This includes the candidates for DIAD President as this person will also be a Board of Trustee member.
- b. The Nominations Committee Chair will notify the President of DIAD when DI Affiliate seats on the Board are vacant. This notification will include the number of seats available and the date that the names of the elected Trustees are to be delivered to The Nominations Chair.

16. Newly selected trustees will be seated at the beginning of the month following their selection to the board and begin committee work as directed.

B. 11. CURRENT TRUSTEE REVIEW AND RENEWAL PROCESS

1. **Purpose:** Trustees selected to the Destination Imagination Board of Trustees are selected to serve a possible two (02) terms not to exceed a limit of eight (08) 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. **Limits:** 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 DIADs election process.
4. **Timing:** 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. **Process:** Following are the steps in evaluating and making a determination for a second term:
 - a. In a closed meeting of the Nominations Committee, the candidate up for renewal shall be reviewed in light of the following:

- i. The DI Volunteer Code of Conduct
 - ii. DI 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 Nominations Committee Chair and the Chair of the Board. 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 resign 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.
6. In all cases the Nominations 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. Board Member Role

- a. To serve the mission of the Destination Imagination, Inc., organization 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 Executive Director of the Corporation.
- iv. Assist the Nominations 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 of Trustees Meeting Attendance Policy

- i. The Board of Trustees holds a minimum of Three (3) face-to-face meetings each year and convenes no fewer than seven times annually. Annual meeting dates will be finalized before the beginning of the fiscal year. Proposed dates for both face-to-face and teleconference / virtual 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. The Board may be convened on an as-needed basis at the discretion of the Chair for good cause. Attendance at a face-to-face meeting may be by electronic means. To ensure effective functioning, stewardship, and decision-making, Board members are expected to participate in no less than 80% of the total business meeting time throughout each year.

c. Participation

- i. Contribute meaningfully to the business at hand. Use personal, or professional, knowledge in support of Board programs and to advise the Chair and/or the Executive Director on any matters where specialized knowledge is pertinent.
- ii. Serve on at least one standing Board committee and contribute to the work of the committee via various venues such as email and phone conferences.
- iii. Assist in the evaluation and coordination of projects and programs of the Board.

3. Trustee Member Agreement

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 _____ BoT 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 Executive Director?			
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 the Corporation'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 (75%) 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.
 - a. 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 Chair of the Board of Trustees.

DESTINATION IMAGINATION, INC. CONFLICT OF INTEREST POLICY

DISCLOSURE STATEMENT

I have carefully read the Conflict of Interest Policy for Destination Imagination, Inc. (“DI”) 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 DI, 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:

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.

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 Chairperson of the Board of DI.

NAME (Please print) _____

DATE

SIGNATURE

(Please return to DI HQ Board Recording Secretary upon signing)

SECTION C: DESTINATION IMAGINATION PROGRAM POLICIES

C.1. SPONSORSHIP POLICY

1. The following policy is designed to provide direction for Destination Imagination, Inc., its Affiliates, Allied Organizations, and others in the selection of sponsorship partners in providing financial, in-kind, or human resource support for its programs.
 - a. Destination Imagination, Inc., will offer signature sponsorship opportunities for institutional sponsors of its programs. The Board on a yearly basis will review these signature opportunities.
 - b. Destination Imagination, Inc., must have executed agreements with institutional sponsors for the various levels of signature opportunities
 - c. Destination Imagination, Inc., will entertain proposals for sponsorship from companies and organizations whose corporate mission and history is consistent with the Destination Imagination, Inc., 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 of alcohol, tobacco, promotion of violence in media, illegal drugs, or anything else detrimental to the good name and image of Destination Imagination, Inc.
 - d. Sponsors will be encouraged by Destination Imagination, Inc., to establish affiliate sponsorships on a local basis to the extent possible.
 - e. Destination Imagination, Inc., will develop contractual agreements in the best interest of Affiliates, Allied Organizations, and participants that will support the Destination Imagination, Inc., goals and objectives and reflect the market interests of corporate sponsors.

C.2. DESTINATION IMAGINATION TEAM FEES

1. Increases or decreases in team fees must be approved by the Board at the winter meeting prior to the next program year or subject to special Board action.

C.3. INTERNATIONAL PARTICIPATION

1. Participation Fees
 - a. The Executive Director will establish, for Board approval, a pricing system for International participants which takes into account differences in currency values in comparison to the United States cost of products offered.
 - b. Global Finals Fees
 - c. International Teams, if feasible, will be offered an appropriately discounted room package at Global Finals at a percentage determined by the Executive Director on an annual basis.

C.4. DEFINITION OF AN AFFILIATE

An Affiliate is an organization licensed by DII to promote and administer the DII Team Challenge Program in a specific geographic territory. The term “Affiliate” is used interchangeably with the term “Licensee.”

1. Non Profit Status

- a. Destination Imagination Inc. is a non-profit organization and is operated exclusively for charitable and educational purposes. All Affiliates holding an Affiliate License Agreement with DII must also be operated exclusively for these same non-profit purposes.
- b. All Affiliates located within the jurisdiction of the United States must meet the following criteria or be operated by an organization meeting the following criteria:
- c. Be recognized as a non-profit by the IRS within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (or the corresponding provision of any future federal tax laws)
- d. Be recognized as a non-profit organization by the State in which it operates
- e. International Affiliates must also be non-profit and operated solely for charitable and educational purposes.
 - i. Any Affiliate that does not meet these criteria must come into compliance before the renewal of their License Agreement. Failure to do so will result in loss of their License Agreement with DI Inc.

2. An Affiliate has a minimum of 50 team registrations to obtain geographic exclusivity and full Licensee benefits, as outlined in the License Agreement. Full Licensee benefits include but are not limited to covered funding for annual Licensee Conference participation and the costs of room and board at Global Finals for the Affiliate Director.

- a. Beginning in 2014 -15 program year, if an Affiliate has not reached the 50 team threshold after 5 years as a DI Inc. Affiliate, and the DII Board has decided not to renew the license, the Affiliate will be given an opportunity to buy into the DI Inc. program as a full Affiliate with all rights and privileges for a \$5000 annual fee. All fees collected from team registrations at the National level for the Affiliate area will be returned to the Affiliate. This option will be renewable annually until the 50 team threshold is reached.

3. Provisional Affiliate License

- a. Program Year Licensees with fewer than 50 team registrations will be considered “provisional” Licensees. These Licensees will have until the end of the next program year to achieve at least 50 team registrations. At the end of the next program year, the DI Board of Trustees, in conjunction with the Executive Director and advice of the staff, will decide on a case-by-case basis whether to renew Licensee Agreements with any of the provisional Licensees. Licensees with fewer than 50 team registrations at the end of the grace period may lose geographic exclusivity, may continue on a provisional basis, or may have their licenses revoked. This decision shall take into consideration other known opportunities to advance the DI program in that area.

- b. New or Emerging Affiliates from areas with no DI affiliation within the previous three years will be considered Provisional Affiliates and have 5 years to meet the 50 team threshold. The Provisional Licensee will receive support, marketing materials, local conference reimbursements, mailing reimbursements, and other AD resources.
- c. Licensees who are given additional time to meet minimum team requirements will maintain “provisional” status.
- d. Program Year Licensees who maintain “provisional” status will not receive funding for the annual Licensee Conference. Funding of room and board for the Affiliate Director at Global Finals will be provided as long as the Affiliate has a minimum of 5 teams in attendance. AD’s with fewer than 5 teams may attend as a VIP or as a volunteer if they so choose.

C.5. TERMINATION OF AFFILIATE PROGRAM LICENSE AGREEMENT

1. An organization not meeting the requirements set forth to constitute an Affiliate in (**Exhibit B of the License Agreement**) is in violation of its DII TEAM CHALLENGE PROGRAM LICENSE AGREEMENT.
 - a. An Affiliate in violation of its program license agreement shall be given written notice of non-compliance with the License Agreement on or before June 15 of each program year.
 - b. The Affiliate’s license violation will be referred to the Board of Trustees. The Board of Trustees will consider that Affiliate’s license revocation. An Affiliate license revocation requires at least a two-thirds vote of the Board of Trustees.
 - c. The Affiliate in violation shall be given opportunity to be heard either in person or by a written submission. The Board of Trustees Chair and the DII Executive Director after reviewing the presentation will make a joint decision as to the consequences.

C.6. AFFILIATE LICENSE AGREEMENT

1. Each Affiliate will sign an Affiliate License Agreement, which may be renewed annually.
2. The Executive Director 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 must be approved by the Board of Trustees prior to execution.
 - a. Affiliate License fee structure for established affiliates as of July1, 2010:
 - b. Affiliates with up to 250 teams will pay an annual fee of \$100
 - c. Affiliates with 251-999 teams will pay an annual fee of \$250
 - d. Affiliates with 1000 teams and up will pay an annual fee of \$500
3. The signed Affiliate License Agreement and fee must be received by the DI HQ office by July 1. Any Affiliate that has not signed the agreement and sent in the fee by August 1 will be considered delinquent and will not receive Program Materials. Additionally, they will lose Resource Area privileges on the DI website and any expense reimbursements associated with DI sponsored events. Exceptions to this may only be approved by the Executive Director.

C.7. AFFILIATE EVENT INSURANCE

1. Destination Imagination, Inc., will annually provide liability insurance for all Licensed Affiliate and Regional tournaments. Additional event insurance will be made available for a nominal fee. Licensed Affiliates are required to submit all necessary insurance information

C.8. TEAM ADVANCEMENT AT TOURNAMENTS

1. Affiliate Tournaments
 - a. 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.
 - b. A team in a challenge and level with no competition at any tournament will advance to the next available tournament, provided it has made a good faith effort to solve the challenge. If a challenge requires certain specific elements (device, backdrop, structure, performance etc.), the team must have built or performed that element for scoring at a tournament. It is not necessary for the challenge solution to be successful, but effort in solving the challenge should be obvious.

C.9. GLOBAL FINALS

The Board of Trustees acknowledges the unique aspects of the global tournament and wishes to make its benefits available to the largest number of teams possible. Therefore, the Executive Director shall, in consultation with the Board, annually determine the number of teams Affiliates may advance to the Global Tournament level.

1. DI HQ will offer annual complements to each Affiliate to invite teams to Global Finals. Complements will be based on the prior year's team memberships. Based on that information, Affiliates will be allowed to invite first and up to second and third place teams, and possibly Lottery teams.
 - a. All teams within a Licensed Affiliate's geographical area must be certified by the Affiliate Director of that sanctioned Affiliate, in order to attend Global Finals. Teams may only represent the Affiliate within which they formed and are geographically located. Any deviation from this policy requires consent from the Affiliate Directors involved and the Executive Director.
 - b. Complements offered to Affiliate Licensees may be increased by any ties recognized pursuant to the Rules of the Road (*the Rules of the Road states that teams are tied when their total scaled scores differ by one point or less. It further states that scores are calculated to three decimal places and rounded back to two places.*)
 - c. Provisional Licensed Affiliates and those Affiliates who have chosen the "buy in program" will have their compliment of teams set at the end of January based on the actual number of team registrations purchased that year and a discussion between the AD and Executive Director or his representative. This number may be less than 18 for example if the affiliate has only 20 teams the compliment may be 5 or 10.

- d. If an Affiliate's first place team is unable to attend, the Affiliate, at its discretion, may send another team as long as the total compliment does not change. If an Affiliate Director wishes to deviate from this policy, he or she must seek approval from the Executive Director, whose decision will be final.
2. The Global Finals event will be held annually. At the Fall Board Meeting each year the Board will approve the length of the tournament.
3. Global Finals Officials Housing and Transportation
 - a. Room and Board shall be provided for Affiliate Directors with 5 or more teams in attendance at Global Finals.
 - b. Global Finals Group Leaders and International Challenge Masters shall be provided with Room and Board and shall be reimbursed for travel expenses to and from the event.
 - c. Board of Trustees members will be provided Room and Board at Global Finals and travel expenses to and from the event.
 - d. Volunteer Tournament officials will be provided with Room and Board at Global Finals.
4. Tournament Volunteer Hours
 - a. Given the time, talent, and other resources volunteers donate to DI, every effort shall be made to ensure volunteers have a positive volunteer experience. With the exception of emergency, unforeseen, or special circumstances, Tournament Directors will generally apply the following guidelines for tournament volunteers:
 - i. Volunteers will work no more than 10 hours per day
 - ii. Volunteers who must work more than 10 hours per day will be allowed multiple non-working breaks and time off during other portions of the tournament
 - iii. Volunteers will be given planned, non-working breaks.
5. Global Finals Appraiser and Volunteer Assignments
 - a. Group Leaders or ICMs are the only ones who may assign volunteers to the team/group for which they have responsibility. Those volunteers must have been nominated through the process already in place.
 - b. In the case of ICMs the Director of DI Programs is the approving authority.

C.10. VOLUNTEER CODE OF CONDUCT

Destination Imagination, Inc., values its staff, Bot and volunteers. All are essential to the success of our program and, as such, are expected to meet a standard code of conduct. Adhering to a universal code of conduct ensures the quality of the DII program, as it is facilitated by staff, bot, and volunteers at all DII functions. On that basis, all staff, Bot and volunteers serving in any capacity at a DII tournament are expected to annually sign and follow the Volunteer Code of Conduct.

Affiliates are encouraged to use this code of conduct at the local level.

Volunteer Code of Conduct

Thank you for volunteering with Destination Imagination, Inc. (DII). We are excited you have given your personal time to assist with running our program, in which students learn creativity, teamwork and problem solving.

Because our primary participants are teams that consist of young people, we want to ensure they have the most positive experience while involved in the Destination Imagination programs and while showcasing their solutions. As such, we expect our volunteers to conduct themselves in a manner that positively represents our organization. Integrity must underlie all company relationships, including those with teams, customers, suppliers, communities, and among employees or volunteers.

DII volunteers should always strive to avoid both an *actual* conflict of interest and the *appearance* of a conflict of interest. For instance, it is not recommended that an Affiliate, Regional or other Tournament Director serve as a Team Manager; it is not recommended that an individual serve as a Challenge Master for a Challenge in which they have a family member competing

By signing below, you agree to abide by this Code of Conduct when volunteering with Destination Imagination, Inc.;

- I will embrace the spirit of creativity, teamwork and problem solving as the core principles of DII.
- I will uphold the honesty, impartiality, and reputation of DII, to prevent any disparagement or defamation to the organization or individuals.
- I know the core principles with which DII conducts business are mutual respect, fair dealing and open communication. This is the foundation for all of our transactions and interactions.
- I will conduct myself in a professional and sportsmanlike manner during all DII events, refrain from the use of obscene or vulgar language and will speak to all participants in a respectful manner.
- I will refrain from having interaction with any Destination Imagination team's Challenge by providing assistance, knowledge or other action that would be deemed as Interference.
- I will adhere to all appraisal, scoring and award procedures as outlined in official documentation and training.
- I will adhere to all safety and security rules set forth by the Affiliate or Tournament Director, DII staff, and the team *Program Materials*, for all Tournaments and events.
- I will not use my position to seek personal gain or influence through the inappropriate use of information, nor abuse of my position.
- I will not engage in any activity that might create a conflict of interest for the company or for me individually.
- I will promptly report any illegal or unethical conduct to the appropriate authorities within DII.

Retaliation against employees or volunteers who come forward to raise genuine concerns will not be tolerated.

I understand and will comply with the above Code of Conduct.

Signature

Date

1. Violation Consequences of Volunteer Code of Conduct

- a. Destination Imagination has in place a well-defined Code of Conduct to keep themselves, and their employees and stakeholders, safe from unethical business practices.
- b. Being charged with violating ethical codes of conduct can result in different types of consequences that vary in severity, depending on the type of violation. Violation consequences may range from a verbal reprimand legal action.
- c. This policy specifically covers the Board of Trustees, DII Staff and everyone involved in working with DI at the national level (i.e., Challenge writers, Global Final Appraisers and Challenge Masters, etc.). Affiliates of Destination Imagination are encouraged to establish and implement a similar policy.
- d. The consequences are as follows:
 - i. Verbal Reprimand – A Verbal Reprimand is a verbal warning to punish or warn individual(s) who have been guilty of a minor violation of the DII Code of Conduct. Such reprimand will include the specific nature of the offence and the expected resolution. A verbal reprimand will not be documented or retained by the DII Personnel Manager.
 - ii. Written Reprimand – A written reprimand is a written warning to punish or warn individual(s) who have been guilty of a significant violation(s) of the Code of Conduct. Such reprimand will include the specific nature of the offence and the expected resolution. Such reprimand is retained by the corporation and retained by the DII Personnel Manager.
 - iii. 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 6 months. Suspensions must be approved by a majority vote of the Board of Trustees.
 - iv. Banishment - In the more serious violations of the Code of Conduct 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 formal documented and retained on file by the Manager of the Personal Department. Legal Council may be consulted during this process. Banishment may be time limited at the discretion of the Board.
 - v. Legal Action – All violations of the Code of Conduct that have any risk of litigation must be deferred by the Board of Trustees to the advice/action of DII legal counsel.

Volunteer Conduct Standards (DII Policy C.7)	Potential Violation Consequences					
	Verbal Reprimand	Letter of Reprimand	Sanction	Suspension	Banishment	Legal Action
Embrace the spirit of creativity, teamwork and problem solving as the core principles of DII	X	X	X	X	X	
Uphold the honesty, impartiality, and reputation of DII	X	X	X	X	X	X
Know the core principles with which DII conducts business are mutual respect, fair dealing and open communication	X	X	X	X	X	
Conduct myself in a professional and sportsmanlike manner during all DII events	X	X	X	X	X	
Refrain from having interaction with any Destination Imagination team's Challenge by providing outside assistance	X	X	X	X	X	

C.11. AWARDS, BOARD AND CORPORATION

1. Destination has three major awards that it presents:
 - a. The Diamond Award – This award is presented by the Board of Trustees to an individual or team who has given significant assistance or long time service to Destination Imagination in a way that has significantly impacted the organization.
 - b. The Risorgimento Award – This award is given by the Corporation 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.

C.12 QUALITY REVIEW PANEL POLICY

Mission: The mission of the Quality Review Panel (QRP) is to ensure that the Destination Imagination Team Challenges, including the Rising Stars Challenge and Instant Challenges, are of the highest quality in support of the DI mission to develop opportunities that inspire the global community of learners to utilize diverse approaches in applying 21st Century Skills and creativity. The Executive Director of DI Inc. has final oversight and responsibility for the Quality Review of all program team challenges including Instant challenges.

1. Scope of Activity:

- a. The QRP will meet annually at a specified time to review the writers' final drafts of all team Challenges for the coming year as well as score sheets, when they are available. Instant Challenges will have its own QRP process headed up by the Executive Director and Instant Challenge ICM and One BoT member. The writers' final drafts and the procedure for the meeting will be given to QRP members a minimum of two weeks before the QRP annual meeting
- b. The Chair of the Board of Trustees, in conjunction with the Executive Director, may convene a QRP to review other DI Program materials as need arises.

2. Authority:

- a. The Quality Review Panel (QRP) comes under the authority of the Executive Director. The QRP may recommend to the BoT new policies as needed to ensure the quality of products and procedures regarding the program materials put forth by DII.
- b. The QRP makes the final recommendations on the content, wording, and intent of the team Challenges. Any suggestions for substantive changes to Challenges post-QRP shall be referred to the Executive Director, who will refer suggested updates to the QRP for consideration and approval.

3. Makeup of the QRP

The QRP, by its very nature, is a diverse set of volunteers and staff members who represent many areas of the organization. Since this unique team has the important job of vetting DI Challenges, when assembling a team the process must be collaborative between the BoT

Chair, the Executive Director, the DIAD President and Program Director. The following is a guideline as to the makeup of the QRP. At least one of the below should be an alumna or alumnus with a minimum of 6 years' experience. Additionally, at least one of the members should have prior Challenge writing experience.

- a. Chair of the BOT or the designee.
- b. One BOT member appointed by the BOT Chair
- c. Two Affiliate Directors appointed by the DIAD President. One shall be from an Affiliate with fewer than 300 teams and one from an Affiliate with more than 300 teams. One of these can be from the BoT.
- d. One international Affiliate Director appointed by the DIAD president
- e. Moderator, agreed to by consensus of both the BOT Chair and DII Program Staff
- f. One ICM from each of the competitive Challenges
- g. One Scoring ICM appointed by the Program Director
- h. (Ex Officio) The Program Director and Assistant Program Director

4. Membership Terms: The terms for BOT, AD, and International AD appointees shall be renewable for 2 years, however exceptions to this can be made with joint approval of the BoT Chair, DIAD President and Program Director. As much as possible appointees shall be appointed during alternating years to ensure experienced panel members.

5. Procedural Guidance:

- a. This guidance is not intended to be exhaustive of the QRP process
- b. The QRP shall review and take into consideration:
 - i. The draft of the Challenge created by the Challenge Writing Team
 - ii. A written explanation, narrative, or notes, submitted by the Challenge Writing Team, outlining any significant issues or notes the Challenge Writing Team wishes the QRP to take into consideration

6. Timing: Program Challenge Calendar (Example subject to change)

- a. January- Team and IC Challenge writers applications accepted
- b. April – May- Writing teams formed
- c. June - Team Challenge Writers weekend
- d. August – Instant Challenge Writers weekend
- e. June- January writers and dissectors work on challenges
- f. November – date set for onsite QRP and members appointed
- g. January – Challenges handed over to ICM's
- h. February- QRP meets for several days at DII to review all materials in its purview. The committee also will meet by conference call as well as Go To Meeting and email when necessary to complete unfinished work or review new items as needed
- i. Summer or early Fall – QRP reviews final score sheets

SECTION D: FINANCE POLICIES

D.1. GENERAL POLICIES

1. Destination Imagination, Inc., as a not-for-profit organization incorporated in the state of New Jersey, is entitled to exemption from federal and state income taxes under the provisions of Internal Revenue Service code, Section 501(c)(3).
2. The Board has both authority and responsibility for all activities of the Organization. Board policies apply to all activities. The Finance Committee reviews the Organization's financial policies annually and prepares appropriate recommendations for the Board. The Board must approve all additions or changes to financial policies.
3. The Organization's fiscal year begins October 1st and ends September 30.

D.2. GOVERNANCE

1. Board of Trustees
 - a. The Board will determine annually which activities and programs will be partially or fully funded. The Executive Director will recommend appropriate net revenue targets within the program business plans, depending on the nature of the program, its value to the DI Community, and the revenue potential of the program. Board decisions and priorities will be based on the strategic plan, long and short term objectives and on recommendation from the Finance Committee and Executive Director provided through the proposed budget.
2. The Board:
 - a. Approves changes to the employee benefits package upon recommendation of the Executive Director and the Management Committee after initial review by the Finance Committee.
 - b. Policy for 403(b) matching:
 - I. Destination Imagination, Inc. will offer a matching program for employees who participate in the 403(b) retirement plan. Matching percentages are determined as part of the annual budget process and will be approved by the BOT as an integral part of the budget.
 - II. Matching percentages will range from 2% to 5% of the employee's salary but in no case will the matching percentage be greater than the amount contributed by the employee.
 - c. Approves the annual average percentage increase in employee compensation based upon financial prudence and national and local cost of living indicators after initial review by the Finance Committee.

- d. Shall subject its financial reports to an annual audit by an independent audit firm chosen by the Audit Committee, and the firm will annually present its report to the Board.
- e. Shall have written financial policies governing the following matters:
 - I. investment of the assets of the organization;
 - II. internal control procedures;
 - III. purchasing practices;
 - IV. Reserves. The Financial objective of DI is to establish a financial reserve to provide for six months of operating income. The Board must authorize any disbursements from this fund. The surplus from operations or the net operating excess for each fiscal year will provide the funds for the reserve:
 - V. Earned Income.
- f. Shall provide employees and volunteers with a confidential means to report suspected financial impropriety or misuse of organization resources.

D.3. FINANCE COMMITTEE

The Finance Committee of the Board has been established with the following charges:

1. Review and modify the proposed annual budget before presentation to the Board.
2. Review current financial policies and trend data and propose revisions and additions for Board consideration.
3. Recommend to the Board the appointment of an auditor, and review the results of the annual audit.
4. Oversee all Organization funds, including investment and insurance options and providers. The Finance Committee must review all proposed changes or additions to the Organization's financial policies and prepare appropriate recommendations for Board approval.

D.4. AUDIT COMMITTEE

The Audit Committee of the Board has been established with the following charges:

1. Composition:
 - a. The committee must include at least one "financial expert" that 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.
2. Responsibility:

- a. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to (1) the audit of the organization's books and records and (2) the system of internal controls that the organization has established. The committee should have a clear understanding with the outside auditors that they must maintain an open and transparent relationship with the committee, and that the ultimate accountability of the outside auditors is to the Board and the committee. The committee will make regular progress reports to the Board.

3. Authority

- a. Subject to the prior approval of the Board, the committee is granted the authority to investigate any matter or activity involving financial accounting and financial reporting, as well as the organization's internal controls. In that regard, the committee will have access to the organization's external professionals to render advice and counsel in such matters.
- b. Meetings
The committee is to meet at least three times annually and as many additional times as necessary. The committee is to meet in separate executive session(s) with the outside auditors at least once annually and at other times when considered appropriate.

4. Specific duties

In carrying out its oversight responsibilities, the committee will:

- a. Review and reassess the adequacy of its charge annually and propose changes to the Board for approval, if needed.
- b. Review with the Executive Director/Controller and the outside auditors the organization's accounting and financial reporting controls. Obtain annually in writing from outside auditors a letter regarding the adequacy of such controls.
- c. Review with the Executive Director/Controller and the outside auditor's significant accounting and reporting principles, practices, and procedures applied by the organization in preparing its financial statements. Discuss with the outside auditors their judgments about the quality -not just the acceptability -of the organization's accounting principles used in financial reporting.
- d. Review the scope and general extent of the outside auditor's annual audit. The committee's review should include an explanation from the outside auditors of the factors considered by the accountants in determining the audit scope, including the major risk factors. The outside auditors should confirm to the committee that no limitations have been placed on the scope or nature of their audit procedures.
- e. The committee will review annually with the Executive Director/Controller the fee arrangement with the outside auditors.
- f. Inquire as to the independence of the outside auditors and obtain from the outside auditors, at least annually, a formal written statement delineating all relationships between the outside auditors and the organization, including other consulting or accounting work being performed by the outside auditors for the organization.

D.5. CONTROLLER

The Controller reports to the Executive Director who shall ensure that the Controller maintains responsible stewardship of the organization's funds, including:

1. Preparing accurate and timely financial records – in conformance with Generally Accepted Accounting Principles.
2. Preparing accurate and meaningful financial reports- comprehensible, concise, all-inclusive, timely and with a focal point for comparison budget vs. amount spent, cash flow, etc. Financial statements shall be provided monthly to the Finance Committee at least 2-3 days and preferably one (1) week before the monthly Finance Committee meeting. Finance statements should include the Statement of Financial Position, Statement of Activities, and Statement of Cash Flows (within the Financial Statement power point), as well as a Management Discussion and Analysis, which identifies and explains any significant variances between actual and budgeted revenues and expenses. Additionally, the Controller should attend the Finance Committee's monthly meeting and review the financials with the Committee. Monthly financial statements shall be provided to the Finance Committee, including a Management Discussion and Analysis. The Chair of the Finance Committee shall forward the Quarterly Statements to the entire board..
3. Annually, the IRS 990 shall be provided to the Finance Committee
4. Budgeting and anticipating financial problems – planning ahead for several years, and monitoring social and economic trends and their influence on the organization.
5. Safeguarding and managing the organization's financial assets – ensuring adequate internal controls over assets and proper cash management to ensure maximum return.
6. Ensuring compliance with federal and state reporting requirements.
7. Issuing an annual report to the Board, which will include the audited financial statements.

D.6. EXECUTIVE DIRECTOR

1. The Executive Director has the full and exclusive authority to oversee the operations of Destination Imagination Inc.
2. The Executive Director possesses spending and agency authority up to \$100,000. Any checks or transfers in excess of \$100,000 require approval of the Board. Global Finals payments will be excluded from the above as long as the amounts being paid are to the University where Global Finals is being held and is within contractual terms

3. The Executive Director has full authorization to run the business within the budget. Any Financial Obligation in excess of \$25,000 that has not been approved as part of the annual budget must be presented to the BOT for approval, but any expenditure of less than \$25,000 is within the Executive Director's authority. In addition, any significant (over \$25,000) financial obligation that has not been approved as part of the annual budget process must be presented to the Board for consideration through the issue of financial reports in advance of any meeting in which it will be considered.
4. The Executive Director will execute all personnel and other contracts as approved within the budget. Any contracts obligating the organization to more than \$100,000 shall be co-signed by the Managing Director of Internal Operations.

D.7. SIGNING AUTHORITY

1. All checks and bank, wire and electronic transfers in excess of \$10,000 must be signed by more than one person. All signers must be authorized to sign on accounts upon which funds are drawn. In accordance with the policies of the organization, the Controller will act as the principal signing authority for banking purposes, **except where policies dictate**.
2. In accordance with the policies of the organization, the two members of senior management, the Executive Director, and Managing Director of Internal Operations, or, in their absence, the Chair, Vice Chair, and Treasurer of the Board will act as signing officers for banking purposes and for entering into contracts with third parties. Contracts in excess of \$25,000 require two authorized signatures, one of which must be the Executive Director or, in his or her absence, the Chair or Vice Chair of the Board.
3. Check and Transfers Signing Authority:
 - a. Designated members of the senior management team, the Executive Director, , Managing Director of Internal Operations, and or, in their absence, the Chair, Vice Chair and Treasurer of the Board are authorized to sign checks.
 - b. Checks and Transfers to third parties up to \$10,000 require one signature.
 - c. Checks and Transfers to third parties over \$10,000 and up to \$25,000 require two signatures.
 - d. Checks and Transfers to third parties over \$25,000 require two signatures, one of which must be the Executive Director or, in his or her absence, the Chair, Vice Chair and Treasurer of the Board.
4. Documents from International Affiliates, who have entities separate from Destination Imagination Inc. in New Jersey and require annual authority to operate, must be signed by the Executive Director, and Chair of the Board as authorized representatives of DI Inc.
5. All wire transfers must be approved by Executive Director with accompanying signature and via direct telephone confirmation by Executive Director or in the absence of the Executive Director, the Chair of the Board of Trustees. Additionally, a telephone confirmation must be made with the party requesting the wire transfer. An email from someone requesting the wire is not sufficient. The DI office wire transfer form (copy in vital documents) must accompany any wire transfer request. The form includes areas for

confirming that both of the required telephone conversations have taken place.

6. All expensed reimbursements should agree with the following guidelines;
 - a. Up to \$5,000, Department Heads may approve expense reimbursements for their staff;
 - b. \$5,000 to \$10,000 expense reimbursements must be approved by the Managing Director of Internal Operations;
 - c. \$10,000 and above, expense reimbursements, must be approved by the Executive Director, or in his or her absence the Chair or Vice Chair of the Board of Trustees.

D.8 BUDGET

Destination Imagination, Inc., shall operate in accordance with an annual budget that has been developed by the Controller and Executive Director and approved by the Finance Committee and Board prior to the beginning of each fiscal year.

1. Budget Preparation

- a. Destination Imagination, Inc., shall operate in accordance with an annual budget that has been developed by the Controller and Executive Director and approved by the Finance Committee and Board prior to the beginning of each fiscal year.
- b. The preliminary budget is prepared by the Controller with Staff input and will be presented annually to the Finance Committee by mid-August.
- c. Budgets for specific activities are developed by the Controller, Executive Director and Staff. The deadline for budget requests will be announced annually to Staff.
- d. The Finance Committee reviews the budget assumptions and justifications.
- e. The Finance Committee ensures the accuracy of all budget estimates.
- f. The Finance Committee brings the budget recommendation to the Board.
- g. Budget Approval:
 - I. Based on the recommendation from the Finance Committee, the Board approves the final budget ensuring:
 - i. The consistency of the budget with organization policies and strategic plan.
 - ii. The organization should budget for a surplus until its reserve objectives are met.
 - iii. That the proportional allocation of resources is consistent with Board priorities and objectives for the year.
 - h. If the budget is not approved as presented, it shall be returned to the Finance Committee with Board directions for revision and resubmission.
 - i. Administration of Donations to Affiliates under the 501(c)3 umbrella
 - I. All donations processed by HQ on behalf of an Affiliate will incur a processing fee amounting to 15% of any donation up to \$1000 and a \$150 flat fee for any donation above that. An Affiliate must send in a timely request for reimbursement with proper expense documentation in order for HQ to disburse funds.

D.9. INVESTMENT POLICY

1. The purpose of investments is to grow the assets of the company; therefore, the investment policy should be conservative in nature. No less than 50% of the principal shall be invested in insured certificates of deposit, at least A-rated (Moody's or Standard & Poor's) preferred stocks or corporate or municipal bonds or other similar instruments. The remainder of the funds may be invested in prudent stocks, bonds, real estate, etc.

D.10. DONATIONS AND GIFTS

The purpose of charitable donations and in-kind gifts is to provide an on-going source of funding to Destination Imagination, Inc., to ensure its continued viability in perpetuity.

1. Annual Fund-Raising Policy Plan
 - a. The management team should present to the Board a formal fund-raising plan on an annual basis with quarterly progress updates.
2. Unrestricted Donations or Gifts,
 - a. DI, Inc. may use unrestricted donations or gifts for any aspect of the program.
 - b. Any Unrestricted donation above \$10,000 that is not in the annual Fundraising plan must be reviewed by the board for allocation.
3. The following types of gifts may be accepted.
 - a. Cash, Stocks and Bonds, other investment instruments
 - b. Land and Real Estate
 - c. Trust and bequests in Wills
 - d. Insurance Policies
 - e. Retirement Plan Assets
 - f. Cash donations not specifically designated
 - g. Other as determined by the donor and Destination Imagination, Inc.
4. Restricted Donations
 - a. Program Scholarships: the funds are designated to provide scholarships to individuals wanting but unable to afford program costs for expenses involved in the program.
 - b. College Scholarships: the funds are dedicated to awarding DII participants wanting to further their education specifically in creativity programs or general college studies.
 - c. Specific Requests: donations may be designated by the individual for specific DII activities including, but not limited to, capital building needs; specific challenge or program aspects; promotion, development or support of state, regional, or local efforts to promote DII, etc., with the approval of the Board of Trustees.
 - d. Research that advances the mission of Destination Imagination, Inc.
 - e. Any other legitimate purpose as jointly determined by the donor and DII.

5. Donations will be accepted at the DII place of business.
6. Cash donations collected by DI, Inc., through direct mail or other campaigns that are not specifically designated or restricted by the donor for a special project will be placed in an unrestricted fund.
7. Charitable donations may be pledged over a multi-year period.
8. Gifts in the form of stocks, land and other items may be accepted by Destination Imagination, Inc. The Finance Committee and the Controller will advise the Board of Trustees as to how to manage these gifts.

D.11 DONOR ACKNOWLEDGEMENT

1. All individual donations beginning January, 2006, unless otherwise designated, will be put in the general fund.
2. Donor levels will be set as:
 - a. Bronze: up to \$499
 - b. Silver: \$500.00 up to \$999.99
 - c. Gold: \$1000.00 to \$4999.99
 - d. Platinum \$5000.00 and above
3. In Kind Levels will also be recognized as per the wishes of the donor.
4. All donors at the conclusion of the fiscal year, unless they have declined to be acknowledged, will be listed by category on the Global Finals App.
5. All Gifts to Destination Imagination, Inc. and Affiliates (not including donations to teams that are passed through to the appropriate group) will be acknowledged within 72 hours of receipt. Donations of \$250 or more that are passed through to teams, for Global Finals registration expenses, will be acknowledged by July 31.