



POLICY MANUAL

DESTINATION IMAGINATION, INC.

Revised: September 17, 2025

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PREFACE

Explanation of Terms Used in These Policies

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

SECTION A: CORPORATE BUSINESS POLICIES

A.1 ETHICS POLICY

1. We 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.
2. We will conduct our organizational and operational duties with positive leadership exemplified by open communication, creativity, dedication, and compassion.
3. We will serve with respect, concern, courtesy, and responsiveness in carrying out the organization's mission, demonstrating the highest standards of personal integrity, truthfulness, honesty, and fortitude in all we do.

A.2 ANTI-DISCRIMINATION POLICY

1. DII will not discriminate because of race, color, age, gender, gender identity, 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, and any other benefits.
2. DII will comply with the intent of the Americans with Disabilities Act of 1990 and will not knowingly discriminate against individuals with disabilities. DII will reasonably accommodate employees with disabilities.
3. Any grievance regarding discrimination will be handled through the Equal Employment Opportunity officer (Chief Executive Officer or designee) and in consultation with the Management Committee of the Board when appropriate. The complainant should contact the EEO officer (Chief Executive Officer or, if the complaint is against the Chief Executive Officer, the Chair of the Management Committee), who will provide information and assistance on filing and pursuing the complaint.

A.3 RISK MANAGEMENT POLICY

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

A.4 SEXUAL HARASSMENT POLICY

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

A.5 DRUG AND ALCOHOL POLICY

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

A.6 CONFLICTING EMPLOYMENT RELATIONSHIPS

1. Definitions.
 - a. “Conflicting Employment Relationship” means a DII employment-related relationship involving at least one Covered Person and at least one Conflicted Person that (1) results in an actual or perceived conflict of interest or (2) unreasonably interferes with a Covered Person’s ability to objectively carry out the responsibilities of his or her position.
 - b. “Conflicted Person” includes a parent, sibling, spouse, fiancée (including a live-in significant other), child (including spouses of children), grandparent, and grandchild. For purposes of this policy statement, “child” includes adopted children, stepchildren, and minor legal dependents. In addition, the Board of Trustees may expand, limit, or clarify the definition of Conflicted Person to the extent reasonably necessary to carry out the stated purposes of this policy statement.

- c. “Employment Opportunities” includes full and part-time employment, whether carried out directly through a common law employment relationship, or indirectly by way of consulting agreement, independent contractor relationship, or third party employee leasing arrangement. The term does not include volunteers (even if DII is reimbursing the individual for covered expenses) who receive only a de minimis amount of compensatory income from DII, whether under a “work-for-hire” agreement with DII or otherwise.
 - d. “Covered Person” includes a member of the Board of Trustees, a DII officer, and any DII employee who would either be in a supervisory or subordinate position to the Conflicted Person.
- 2. Employment opportunities at DII may be limited to the extent necessary to avoid a Conflicting Employment Relationship. Conflicting Employment Relationships requiring particular scrutiny include those involving (1) members of the Board of Trustees, (2) DII corporate officers, and (3) Covered Persons who are, either directly or indirectly, in a supervisory or subordinate relationship with a Conflicted Person who earns more than a de minimis amount of compensatory income from DII.
- 3. While it is DII’s intention to limit, to the greatest extent possible, Conflicting Employment Relationships, this policy is not to be read as a per se prohibition on all Conflicting Employment Relationships. DII recognizes that the nature of its business, the size of its paid staff, and its reliance on volunteers may make the strict prohibition of Conflicting Employment Relationships not feasible from a business standpoint. DII’s Board of Trustees may, therefore, fashion a remedy that balances the threat to DII engendered by the conflicting Employment Relationship with the business needs of DII. In no event, however, may either individual continue to hold a position that directly controls or influences the hiring, termination, promotion, transfer, evaluation, or salary administration of the other.
- 4. Procedures for Dealing with Conflicting Employment Relationships.
 - a. The administration of this policy is the responsibility of DII’s Chief Executive Officer and its Board of Trustees. It is the responsibility of each Covered Person to disclose immediately to DII’s Chief Executive Officer any Conflicting Employment Relationship or any arrangement that a reasonable person may conclude may constitute a Conflicting Employment Relationship. In the case of a Conflicting Employment Relationship that involves DII’s Chief Executive Officer, such Conflicting Employment Relationship must be disclosed to the Board Chair. Failure to timely disclose such a Conflicting Employment Relationship may result in disciplinary action against the Covered Person, including termination of employment or removal from the Board of Trustees.
 - b. Once a real or perceived Conflicting Employment Relationship has been reported, the Management Committee will perform an investigation to determine whether, and to what extent, a Conflicting Employment Relationship actually exists. The Management Committee will thereafter present its findings and recommendations to the full Board of Trustees for action. The determination of the Board of Trustees in this regard will be conclusive. In making its recommendations and decision, the Management Committee and Board of Trustees, respectively, will 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. Instead, 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 will impose a remedy on the parties, which may include the termination of either individual.

A.7 WHISTLEBLOWER POLICY

1. The DII Code of Ethics and Conduct (“Code”) requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of DII, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. It is the responsibility of all directors, officers, and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.
2. No director, officer, or employee who in good faith reports a violation of the Code will suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within DII prior to seeking resolution outside DII.
3. Reporting Violations.
 - a. The Board Chair will appoint a Compliance Officer from among the members of the Board of Trustees. The Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his or her discretion, shall advise the Chief Executive Officer and/or the Board Chair. The Compliance Officer has direct access to the Board Chair and is required to report to the Board Chair at least annually on compliance activity.
 - b. The Code addresses DII’s open-door policy and suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee’s supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with the supervisor or is not satisfied with the supervisor’s response, he or she is encouraged to speak with anyone in management whom the person is comfortable in approaching. Managers are required to report suspected violations of the Code to the Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when an employee is not satisfied or is uncomfortable with following DII’s open door policy, individuals should contact the Compliance Officer directly. Should the employee not feel free to speak with any of the above-mentioned individuals, he or she should speak with the Board Chair.

- c. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be anonymously submitted. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation and the need to comply with applicable reporting laws.
 - d. The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate actions will be taken if warranted by the investigation.
- 4. The Board Chair will address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The Compliance Officer will immediately notify the Finance Committee of any such complaint and work with the Committee until the matter is resolved.
 - 5. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegation that proves not to be substantiated and that proves to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.
 - 6. Each employee will sign two copies of this policy upon hire. One copy will be given to the employee. Another copy will be placed in the employee's personnel file.

A.8 DOCUMENT RETENTION/PRESERVATION AND DESTRUCTION POLICY

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

A.9 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.10 OUTSIDE PROFESSIONAL SERVICE PROVIDERS

- 1. Unless otherwise provided in the bylaws or these policies, the Chief Executive Officer may engage outside professional service providers.

A.11 ANNUAL BUSINESS PLAN

- 1. Annually, before October 1, the Board will review the annual DII Business Plan. The Chief Executive Officer will prepare and submit the Business Plan to the Board for consideration on or before September 1. The Board will give final approval to the Business Plan at the October Board meeting.

SECTION B. BOARD OF TRUSTEES POLICIES

B.1. BOARD AUTHORITY AND RESPONSIBILITY

1. Functions of the Board of Trustees.
 - a. Ensures that the organization fulfills its mission and purpose.
 - b. Provides governance, oversight, and strategic guidance to the organization, working in close cooperation with its Chief Executive Officer.
 - c. Develops and oversees implementation of a strategic plan for the organization.
 - d. Selects the Chief Executive Officer, and annually assesses the Chief Executive Officer's performance and determines salary adjustment and bonus, if any.
 - e. Ensures strong fiduciary oversight and financial management.
 - f. Assesses its own performance as the governing body of the organization.
2. Officers of the Board.
 - a. Elections for officers of the Board will take place in conjunction with the Board's last meeting of the fiscal year.
 - b. Board officers will assume their offices at the beginning of the fiscal year.
 - c. If a Board office becomes vacant, an interim officer may be elected by the Board in conjunction with any meeting. Interim officers will serve the remainder of the unexpired term of the officer they are replacing.
 - d. Anyone wishing to nominate himself or herself for an officer position must make that intention known to the Board Secretary at least two weeks before the Board meeting at which candidates will be considered. Nominations made by other Trustees may be made from the floor at the meeting.
 - e. Contested elections will take place following the Board meeting at which candidates are considered. Such elections will be by secret ballot, which may be conducted electronically.
3. The Board of Trustees encourages greater understanding between the Board and the various constituencies it serves. The Board Chair or the Chair's designee will be directly responsible for disseminating all Board communication to the media, DIAD, allied organizations, the DII community, and staff.

B.2. BOARD COMMITTEE POLICY

1. Committees of the Board of Trustees report directly to the Board. Except for action by the Executive Committee authorized by Article 4, Section 8(B), of the bylaws, all Board committees are advisory only and may not take action without formal approval from the Board of Trustees.
2. Members are chosen for a committee to provide the skills needed for the committee to achieve its charter.
3. In addition to the Executive Committee and Standing Committees, the bylaws provide for the creation of Ad Hoc Committees and Working Groups to address specific issues. Ad Hoc Committees and Working Groups will have a charter established by the Board Chair or Chief Executive Officer when creating them, and will exist for the duration of their charter.
4. The bylaws have established Standing Committees with the following charters:
 - a. The Development Committee is responsible for assisting the Board and staff in planning and implementing the Corporation's fundraising activities. Among the committee's activities, it will
 - i. Track development activities for the organization;
 - ii. Ensure Board members are active donors;
 - iii. Assist Board members in their own development efforts;
 - iv. Recruit potential donors;
 - v. Assist staff in planning development efforts and strategy; and
 - vi. Work toward increasing the profile of and awareness about the activities of the Corporation, towards target audiences such as potential donors and volunteers, and in the community generally.
 - b. The Finance Committee is responsible for assisting the Board in fulfilling its responsibilities for oversight of the accounting, internal controls, auditing, and financial practices of DII.
 - i. The committee has the specific responsibilities set forth in Policy E.3.
 - c. The Governance Committee is responsible for the bylaws and policies of DII. Among the committee's activities, it will
 - i. Periodically review existing bylaws and policies; and
 - ii. Formulate proposed additions to or amendments to the bylaws and policies to address specific issues and needs.

The chair of the committee will send to the Board any policy amendments the committee recommends for approval no later than five days before the Board meeting at which such amendments will be considered.

- d. The Management Committee is responsible for the review and evaluation of the Chief Executive Officer as well as reviewing Board performance. Among the committee's activities, it will annually
 - i. Recommend to the Board key performance indicators and other performance goals for the Chief Executive Officer;
 - ii. Evaluate the Chief Executive Officer's achievement of key performance indicators and goals;
 - iii. Recommend to the Board compensation levels and bonuses for the Chief Executive Officer; and
 - iv. Conduct a comprehensive review of Board performance.
- e. The Nominations Committee is responsible for the identification, recruitment, screening, evaluation, and recommendation of Trustee candidates, including Trustees seeking reelection. Among the committee's activities, it will
 - i. Determine qualifications and characteristics needed for Trustees;
 - ii. Assist the Board in identifying and recruiting individuals who are potential candidates to serve as Trustees;
 - iii. Screen and review Trustee candidates; and
 - iv. Recommend to the Board candidates for election or reelection to the Board.
5. Each Trustee will serve on at least one Standing Committee. The Board Chair, taking into consideration their areas of interest and expertise, will assign members to Board committees. Committee members may request that the Board Chair adjust their committee assignments.
6. If the chair of a committee has concerns about the participation level of a committee member, the chair will communicate those concerns first to the member and then, if necessary, to the chair of the Management Committee and the Board Chair.
7. The chair of each Standing or Ad Hoc Committee will report to the Board prior to or at each regular Board meeting, summarizing the progress of the committee in fulfilling its objectives.

B.3. BOARD OF TRUSTEES MEETINGS

1. The Board of Trustees will meet as provided in the bylaws. At the beginning of each fiscal year, the Board will establish a calendar of meetings for the year. The Board may amend the meeting calendar from time to time.

2. Agendas for all scheduled meetings must be made available to all Board members five days prior to the meeting date. The Board may suspend this requirement for agenda items arising within five days of the meeting. All other necessary materials required to conduct business will be made available to each Board member as soon as possible before the meeting.
3. The Board Secretary will take notes at the meetings and put them in minute form for the Board's approval. A public set of minutes will be made available to members of the public on request. The official minutes of meetings of the Board will be kept on file by DII as a permanent record of the official actions of the Board of Trustees.
4. The Board may conduct closed sessions to discuss the following matters:
 - a. Negotiations
 - b. Personnel
 - c. Litigation
 - d. Security and/or Safety
 - e. Property Transactions
 - f. Disciplinary Actions

The Board may adjourn to executive session for one or more of the purposes stated above upon the adoption of a proper motion. Except as otherwise provided in these policies, the Board must adjourn the executive session and return to open session to take formal action, if any, on matters discussed during the executive session. Minutes of executive sessions will be limited to the time of commencement and adjournment and a general description of the subject matter that does not reveal any confidential information.

5. If the Board desires to vote outside of a meeting, the action must be approved by unanimous written consent (specifying the action being approved). The document may be signed in counterparts (*i.e.*, each Trustee can transmit the Trustee's approval). Election of Board officers by electronic ballot need not be unanimous.
6. Recording of Board meetings in any manner, including video, voice, or AI transcription, is not permitted except by specific authorization of the Board. In considering whether to authorize such recording, the Board should consider the extent to which the recording will be maintained securely and whether third parties will have access to the recording for purposes unrelated to the governance of DII.

B.4. BOARD EXPENSES

1. As part of the annual budget process, the Board will determine whether and how much to budget for expenses incurred by Trustees for attending Global Finals, and separately for expenses incurred by Trustees for attending in-person Board meetings. Reimbursement of expenses is contingent on the budgeting of an amount for such expenses, and is subject to any limitations on reimbursement imposed during the budgeting process.
2. If unforeseen adverse financial circumstances arise after adoption of the budget, the Board may, at least thirty days in advance of an event or meeting, eliminate or place limitations on reimbursement of Trustee expenses for the event or meeting.

3. The Board Chair may authorize reimbursement of Trustee expenses for activities other than attendance at Global Finals or in-person Board meetings, taking into account the benefit to DII expected from or achieved by the Trustee's activities.
4. Reimbursable expenses are limited to reasonable travel expenses and room and board not otherwise provided by DII. DII will not reimburse or pay for any alcoholic beverages or other intoxicants. Trustees are encouraged to make the most cost-effective travel arrangements that are feasible under the circumstances, and to utilize DII's travel consultant when appropriate.
5. An expense report will be emailed to Trustees no later than fourteen days after the conclusion of each Global Finals tournament, in-person meeting, or other reimbursable activity. The report must be filled out and returned to the appropriate DII staff member within thirty days after the event, meeting, or activity. Receipts must accompany the report. Reimbursement will be made within thirty days of DII's receipt of the completed expense report.
6. DII encourages Trustees to personally defray expenses as a contribution to DII.

B.5. BUSINESS PLANS

1. The annual budget will constitute the business plan for all DII programs for which provision is made in the budget.
2. All non-budgeted program initiatives will be presented to the Board in a brief concept-document, which will include an estimate of revenues and costs. Such initiatives require Board approval.

B.6. TRUSTEE SELECTION POLICY

1. Triggering of the Selection Process. The Board of Trustees will select new Trustees under three circumstances:
 - a. As part of a regular cycle of selecting Trustees. Typically, the Board will not initiate this cycle more than two times per year.
 - b. The Nominating Committee recommends to the Board of Trustees the selection of one or more Trustee candidates.
 - c. A Trustee dies, resigns, or is removed from office, and the Board authorizes and directs the selection of a replacement.
2. Regular Trustee Selection Cycle.
 - a. If the Board authorizes a regular Trustee selection cycle, it must specify the number (or a range of numbers) of seats to be filled. The Board may specify a preference or requirement for Trustee candidates with specific characteristics or skill set(s).

- b. The committee will provide to the Board an anticipated schedule of events leading to the selection of Trustee(s) , including the dates of the opening and closing of the application period, the period for candidate interviews, the date the committee will determine its recommendations, the date proposed for Board selection of candidates, and the date the new Trustee(s) will commence their term(s). The committee will provide the Board with regular updates to the schedule.
 - c. Once authorized to commence a the selection cycle, the committee will prepare a vacancy announcement containing a description of DII, the responsibilities of and expectations for Trustees, the desired skills and expertise, and the selection process and its timing.
 - d. The vacancy announcement will be publicized by DII staff on the DII website and social media accounts, and on suitable websites and social media platforms. Trustees are strongly encouraged to identify and recruit potential candidates.
 - e. DII will hold a number (typically three) of videoconference information sessions for prospective candidates. At least one of these sessions will be recorded. Participation in one of these sessions, or review of the video recording, is mandatory for Trustee candidates.
 - f. DII will offer prospective candidates the opportunity for a one-on-one videoconference session with a senior DII official (Board President, Board Vice-President, Board Secretary, or Chief Executive Officer). This opportunity is optional.
 - g. The deadline for formal application will be at least 30 days after the vacancy announcement is publicized, and after the videoconference sessions.
 - h. Once the deadline for formal applications has passed, the Nominating Committee will meet to screen the candidates and identify those to be interviewed. Candidates not selected for an interview will be promptly advised.
 - i. Prior to candidate interviews, the Nominating Committee will contact the references of the candidates to be interviewed. References may be checked by individual committee members, who will furnish a written or oral report of the results of the inquiry to the committee.
 - j. The Nominating Committee will interview selected candidates individually via videoconference. Ideally, the interviews will take place at staggered intervals on a single weekday.
 - k. Following the candidate interviews, the Nominating Committee will meet to select the candidates to be recommended to the Board.
3. Evaluation of Candidates Outside Regular Selection Cycle.
- If potential candidate(s) come to the Nominating Committee's attention outside of a regular Trustee selection cycle, the committee may evaluate the candidates and, in appropriate cases, recommend them to the Board for election outside the regular selection cycle.
4. Selection of Candidates.
- a. The Board will select the candidates, if any, to be offered positions on the Board. A majority vote of the Board is required to be elected to the Board of Trustees. All selections will be

contingent on satisfactory completion of a background check. Selected and non-selected candidates will be promptly notified.

- b. Following the candidate selection, the DII staff will commission background checks on the selected candidate(s).
5. Application Requirements: Except as otherwise determined by the Nominating Committee, the application for consideration for a Trustee position will consist of the following elements:
- a. Full Name.
 - b. Address.
 - c. Contact Information.
 - i. Phone Number.
 - ii. Email Address.
 - d. At least two references with contact information.
 - e. A statement as to why the candidate is interested in serving as a DI Trustee, including a list of personal and professional skills that the candidate would bring to the Board.

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

6. Selection of Trustees by DIAD. The above Trustee selection procedures do not apply to the DIAD-selected candidates. DIAD-selected candidates must meet the qualification requirements set forth in the DII Bylaws. DIAD may have its own procedure for selecting Trustees.
7. New Trustee Onboarding Process.
- a. Newly-selected Trustees must sign the documents specified in Policy B.8 promptly after they assume office.
 - b. The Board Chair is responsible for ensuring that newly-selected Trustees are added to the DI website, Board rosters, and Board email groups, and that the Trustees they are replacing are removed.
 - c. The Board Chair will assign a mentor to each newly-selected Trustee, from among Trustees volunteering for such assignment. Mentors will be responsible for providing information about the Board's internal procedures and operations, answering questions, and otherwise assisting the new Trustees in becoming fully-functioning members of the Board.
 - d. As soon as possible after new Trustees are selected, the Board Chair will assign them to one or more committees, taking into account the needs of the committees and the preferences of the new Trustees.

8. Commencement of Term. Trustees selected by the Board will take office on a date specified by the Board at the time of selection (preferably on the first day of a calendar month). Trustees selected by DIAD will take office on the day after their predecessor's term concludes. In no event will a Trustee take office prior to receipt by DII of a satisfactory background check.
9. Renewal of Term for Sitting Trustees. The process whereby Trustees nearing completion of their first term of office are evaluated for and reelected to a second term of office is governed by Policy B.7.

B.7. CURRENT TRUSTEE REVIEW AND RENEWAL PROCESS

1. Trustees selected by the Board of Trustees are selected to serve a possible two terms not to exceed a limit of eight years. After the first four-year term, each Trustee must be reviewed for renewal before the second and final four-year term is awarded.
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 Board of Trustees.
3. This process is limited for use in evaluating and renewing the terms of Trustees elected by the Board of Trustees. Trustees seated by privilege of election as President or Vice President of DIAD, or as general members elected by DIAD, are exempt from this process and will follow DIAD's election process.
4. If an open Trustee selection process is being conducted at the same time as current Trustees are being evaluated for reelection, the review of current Trustees under consideration for a second term must be completed before initiating the open selection process.
5. The following are the steps in evaluating and making a determination for a second term:
 - a. If a candidate for reelection for a second term is a member of the Nominating Committee, that candidate may not participate in the committee's evaluation of the candidate and determination of its recommendation regarding the candidate.
 - b. In a closed meeting of the Nominating Committee, the candidate up for renewal will be reviewed in light of the following:
 - i. The DII Volunteer Code of Conduct
 - ii. DII Policy Section B.8, Trustee Roles and Responsibilities
 - iii. Committee Performance
 - c. After that discussion, the committee will vote either to recommend to the Board that the Trustee be renewed for a second and final four-year term, or proceed with part 5.d below.
 - d. If the committee has significant concerns about a Trustee's lack of performance, it may choose to have a discussion with the Trustee. Depending on the circumstances, the meeting may be conducted with the full committee or be limited to the Nominating Committee Chair and the Board Chair. The results of the meeting will be discussed with the committee and a vote taken. If the committee votes to renew, a recommendation to renew is sent forward to

the Board. If the committee votes not to renew, the Trustee in question is given the option to retire at the end of the current term, or to seek reelection by the Board for a second term.

- e. In all cases, the Nominating Committee will present the entire Board with a full report and disclosure before a vote on the committee's recommendation.
- f. The recommendation by the committee must be passed by a majority vote of Board to take effect.

B.8. TRUSTEE ROLES AND RESPONSIBILITIES

1. A Trustee's role is to serve the mission of DII by providing leadership in governance, establishing policy, planning strategically, serving actively as an ambassador of good will, adhering to the Code of Ethics, and modeling respect for others.
2. Trustee Responsibilities.
 - a. Review, understand, and participate in carrying out the Board's responsibilities.
 - b. Review, understand, and abide by the bylaws and policies of DII.
 - c. Serve on at least one standing Board committee.
 - d. Contribute meaningfully to meetings and activities of the board and its committees.
 - e. Contribute meaningfully to the enhancement of the organization outside of scheduled meetings and activities.
 - f. Review and understand DII's annual budget.
 - g. Take an active part in monitoring the budget and fundraising to meet the budget.
 - h. Make an annual financial contribution to DII in an amount that is significant to the Trustee.
 - i. Assist the Nominations Committee in identifying potential Trustees.
 - j. Use personal and professional knowledge and networks to help advance DII's mission.
 - k. Enhance the organization's public image and stature.
 - l. Attend Global Finals if possible.
3. Board Meeting Attendance.
 - a. The Board holds a minimum of two in-person meetings (subject to logistical and budgetary constraints) and four teleconference meetings each year. Proposed dates for both in-person and teleconference meetings will be discussed at the final Board meeting of each preceding

fiscal year. The Board Chair will make a reasonable effort to accommodate scheduling requests and preferences of Board members. Board members will make schedule requests in good faith.

- b. The Board may be convened on an as-needed basis at the discretion of the Board Chair for good cause.
 - c. Attendance at an in-person meeting may be by electronic means if facilities are available.
 - d. To ensure effective functioning, stewardship, and decision-making, Trustees are expected to participate in at least four Board meetings each year.
4. Lack of performance may constitute cause for removal as a Trustee.
 5. Trustees will annually sign and submit to the Board Chair the following documents:
 - i. A self-assessment of Board service.
 - ii. An agreement to abide by DII's whistleblower policy as set forth in Section A.7.
 - iii. A statement of commitment to carry out the Trustee's responsibilities to the organization as set forth in Section B.8.
 - iv. A nondisclosure agreement conforming to the requirements of Section B.9.
 - v. An agreement to abide by DII's code of ethics as set forth in Section B.10.
 - vi. An agreement to abide by DII's conflict-of-interest policy as set forth in Section B.11.

The Chief Executive Officer or designee will maintain the documents on file.

B.9. CONFIDENTIALITY

1. Board members may not disclose, divulge, or make accessible confidential information to any persons or organizations except as authorized by DII.
2. Confidential information includes non-public information discussed in Board and committee meetings (including executive sessions), team information and lists, strategy and business plans, compensation data, membership lists, and personnel information.
3. Any Trustee who discloses confidential information may be subject to disciplinary action, up to and including removal from the Board, even if the Trustee does not benefit from the disclosure of such information.
4. This policy is not intended to prevent, discourage, or punish disclosure required by law.

B.10. BOARD CODE OF ETHICS

Board members will abide by the following Code of Ethics.

- a. Board members will at all times act in the best interest of DII as a whole.
- b. Board members will diligently carry out their responsibilities on behalf of DII.
- c. Board members will at all times treat those with whom they interact on behalf of DII with courtesy and respect, and will avoid any conduct that might reflect badly on DII.
- d. Board members will comply with US laws and regulations applicable to conducting business inside and outside the US. Board members will also comply with the applicable laws and regulations of the countries and local jurisdictions in which they reside and/or conduct business, regardless of whether the laws are enforced in practice, and regardless of whether compliance may be subject to public criticism or censure.
- e. Board members will comply with all DII bylaws and policies.
- f. Board members may not solicit or receive payments or other benefits from a vendor, prospective vendor, DII employee, or DII program participant. This prohibition also applies to a relative of (or any Conflicted Person as defined in Section A.6.1.b) a Board member. The prohibition does not apply to payments or benefits received on a personal basis unrelated to any DII business, or to payments made to the Board member or Conflicted Person in the ordinary course of the payor's business.

B.11. CONFLICT OF INTEREST POLICY

1. Any Trustee, 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 must 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 person for services rendered to the organization. Such disclosure must include any relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be averse to DII's interest. For purposes of this policy, a Trustee, 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 Board or committee will thereupon determine 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 may not vote on, personally influence, or participate in (other than to present factual information or to respond to questions) 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 committee takes action on the transaction. The minutes of the meeting will reflect the disclosure, the vote thereon, the abstention from voting and participation, and any information relied upon by the Board in reaching its determination regarding such contract or transaction.
3. Any Trustee who has a concern that another Trustee, has a conflict of interest should make known that concern to the Board Chair.

SECTION C. CHIEF EXECUTIVE OFFICER POLICIES

C.1 JOB DESCRIPTION

The Chief Executive Officer:

1. personally and through subordinate staff, manages and directs operations to achieve objectives of the organization in accord with the strategic plan, policies, bylaws, and charter;
2. is an employee of DII, and reports to the Board of Trustees;
3. develops and presents an annual budget to carry out the strategic plan;
4. 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, and
5. takes on any other responsibilities assigned to the Chief Executive Officer by the Board of Trustees.

C.2 ESSENTIAL DUTIES AND RESPONSIBILITIES

The Chief Executive Officer:

1. Takes an active lead while working with the Board of Trustees in the development and implementation of the Strategic Plan.
2. Works with all DII-affiliated leaders and volunteers to ensure appropriate and effective communication.
3. Provides needed support for the work of the Board and its committees.
4. Provides the Board with the data and information it needs to make sound decisions.
5. 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.
6. Promotes collaborative problem-solving and decision-making processes throughout the organization.
7. 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.
8. Carries out supervisory responsibilities in accordance with organization policies, applicable laws, and sound practices.

9. Provides oversight in the hiring, training, and evaluation of employees.
10. 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.
11. Presents DII in a positive manner to all stakeholders.
12. Is responsible for keeping all programs current to educational and creative process standards.
13. Maintains a program of continuous improvement of the products delivered to the customers of DII.

C.3. TEMPORARY ABSENCE OF THE CHIEF EXECUTIVE OFFICER

1. Definitions.
 - a. A temporary absence is one in which it is expected that the Chief Executive Officer will return once the events precipitating the absence are resolved.
 - b. A permanent absence is one in which it is expected that the Chief Executive Officer will not return to his or her duties.
 - c. The Board may determine that an initially temporary absence has become, due to changed circumstances, a permanent absence.
2. Temporary Absence
 - a. The Chief Executive Officer will timely inform the Board of Trustees of a planned or unplanned temporary absence, and, when possible, will develop and communicate a plan for operational continuity during his or her absence.
 - b. The Chief Executive Officer may assign one or more staff members to carry out the Chief Executive Officer's duties during a temporary absence of 30 days or less.
 - c. In the event of a temporary absence exceeding 30 days, the Executive Committee will determine if a Temporary Staffing Strategy should be implemented.
 - d. Appointing an Acting Chief Executive Officer.
 - i. Based on the anticipated duration of the absence, the anticipated return date, and the availability of the Chief Executive Officer, the Board may appoint an Acting Chief Executive Officer, as well as continue to implement temporary staffing strategies.
 - ii. The Chief Executive Officer will develop a training plan and review it annually with the Board for each Director-level position for each of the key functions of the Chief Executive Officer listed in Section 4. The Chief Executive Officer shall maintain and communicate a plan for up-to-date training of staff in the event of the Chief Executive Officer's absence.

iii. Authority of and Restrictions on the Acting Chief Executive Officer.

- Except as otherwise indicated below, the Acting Chief Executive Officer will have the same authority for day-to-day decision-making and independent action as the regular Chief Executive Officer.
- Decisions that must be made in consultation with the Executive Committee include staff hiring and terminations, unbudgeted financial issues, taking on new projects, and taking public policy positions on behalf of the organization.
- The Acting Chief Executive Officer will maintain open communication with the Board Chair, who in turn will provide status reports to the Board.

iv. Compensation.

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

v. Board Oversight of and Support for the Acting Chief Executive Officer.

- The Acting Chief Executive Officer will report to the Board Chair. In the event the Board Chair becomes the Acting Chief Executive Officer, the Vice Chair will perform the duties of the Board Chair.
- The Board should be alert to the special support needs of the Acting Chief Executive Officer in this temporary role. The Executive Committee will convene meetings as needed to support the Acting Chief Executive Officer.
- If a temporary absence is expected to exceed 90 days, the Board should give consideration, in consultation with the Acting Chief Executive Officer, to temporarily filling the management position left vacant by the Acting Chief Executive Officer, or reassigning priority responsibilities to other staff.
- The Board Chair and Management Committee Chair are responsible for reviewing the performance of the Acting Chief Executive Officer. A review should be completed between 30 and 45 days of the appointment of the Acting Chief Executive Officer, and should be reported to the Board.

vi. Communications.

- Within 48 hours after an Acting Chief Executive Officer is appointed, the Board Chair and the Acting Chief Executive Officer should develop a communications plan including the kind of information that will be shared and with whom.

- As soon as possible, the Board Chair and Acting Chief Executive Officer will communicate the organization's temporary leadership structure to the staff, the Board, and key supporters.
- Within five business days, the Board of Trustees should distribute a news release with general information appropriate to the situation to the Board of Trustees, the DII community, and all key supporters.

C.4. CHIEF EXECUTIVE OFFICER SUCCESSION PLAN

1. Emergency Measures.

Where the resignation or termination of the Chief Executive Officer is not voluntary and cordial, the Board Chair or the Chair's designee should take the following steps:

- Ensure that all DII property (including keys, credit cards, business cards, identification, bank account materials, documents, files, manuals, training materials, inventory, electronic records and documents, and other property) is promptly surrendered.
- Ensure that all Trustees, Affiliate Directors, DII staff members, any necessary governmental authorities, key program sponsors, and key vendors (including accountants, auditors, attorneys, landlords, banks, financial firms, and key Global Finals vendors) are promptly notified of the Chief Executive Officer's departure.
- If the Chief Executive Officer has signature authority over any DII bank or investment accounts, promptly notify the banks and investment firms to limit the Chief Executive Officer's access to and authority over the accounts, and promptly ensure that signature cards are changed to delete such authority. By this policy, DII authorizes and instructs all DII banks and investment firms to honor the Board Chair's instructions regarding these matters.
- Promptly ensure that all computer passwords to which the Chief Executive Officer had access are changed.
- Promptly determine whether, in his or her judgment, locks and credit card numbers should be changed.

2. Interim Executive Director.

In the event a permanent absence of the Chief Executive Officer takes effect without sufficient time to conduct a search for a new Chief Executive Officer, the Board should consider whether to appoint an Acting Chief Executive Officer as in the case of a temporary absence, or instead hire an Interim Chief Executive Officer from outside the DII staff or Board leadership. This decision should be guided, in part, by the suitability of internal candidates for the Chief Executive Officer position, the expected time frame for hiring a permanent Chief Executive Officer, and the financial situation and management needs of the organization at the time of the transition.

3. CEO Search Committee.

- f. The Board Chair will appoint a CEO Search Committee to oversee the choice of and transition to a new permanent Chief Executive Officer. The members should include the Board Chair and the Vice Chair. Other members may be appointed as needed.
- g. The CEO Search Committee will assume responsibility for oversight of the search process and presenting qualified candidate(s) to the Board.

4. Executive Search Firm.

- a. The Board may, in consultation with the CEO Search Committee, hire a search firm to assist DII in the process of hiring an Chief Executive Officer.
 - i. Any contract signed by DII must be reviewed and approved by DII Legal Counsel, the CEO Search Committee, and the Board.
 - ii. The Board Chair and the Executive Search Firm will establish a detailed schedule covering the search process from the hiring of the search firm to the hiring of the new Chief Executive Officer. This schedule will form the basis for tracking the process and providing status to the Board.

b. Chief Executive Officer Candidate Profile.

The CEO Search Committee will develop a candidate profile for the Chief Executive Officer position, taking into account the essential duties and responsibilities of the Chief Executive Officer as set forth in Section C.2 above.

c. Soliciting Candidates.

- i. The Executive Search Firm will conduct a search and review all submitted resumes to determine which candidates are qualified for the position. All candidates must go through the search firm to be considered.
 - ii. A Trustee is eligible for consideration as a candidate only if the Trustee resigns from the Board of Trustees.
 - iii. Periodic status reports on the solicitation process will be provided to the Board based on a schedule negotiated with the Executive Search Firm and the CEO Search Committee.
- d. The CEO Search Committee will, in conjunction with the Executive Search Firm, determine a process for the committee's interviews and selection process.
 - e. Presenting a Candidate for Hire.
 - i. The CEO Search Committee may make a recommendation for hire, with a written basis for the recommendation of a single candidate, but may present up to four candidates to the Board for consideration.

- ii. Before making its final decision regarding candidate(s) to be recommended, the CEO Search Committee will commission a civil and criminal background check and personal credit history check of each candidate being considered for recommendation, to the extent the Executive Search Firm has not already done so.
 - iii. The committee may recommend a contract term (including whether automatic renewal should be offered), salary range, benefit package, and whether a signing bonus or reimbursement of relocation expenses should be offered, based on DII's financial situation and best practices and nonprofit industry standards nationwide.
 - iv. The committee's recommendations to the Board will be by majority vote.
- f. Selecting a Candidate.
- i. The Board will review all candidates presented for consideration and the basis for the CEO Search Committee recommendation(s) for hire. The Board may elect to interview a single candidate or multiple candidates submitted for consideration.
 - ii. All candidates selected for interviews by the Board may be invited to a designated location. Interviews will be scheduled to minimize travel expenses and time.
 - iii. After all interviews of the candidates selected for interviews have been completed, the selection of a new CEO will be placed on the agenda for a regular or special meeting of the Board. All discussions, motions, and voting relating to CEO selection and contract terms will take place in executive session, with the published minutes reflecting only the fact that discussions and decisions were made on these topics in executive session. A confidential memorandum, available only to the Executive Committee, will be prepared to summarize the substance of the decisions.
 - iv. Authorization to hire a candidate will require a motion, second, and affirmative vote of two-thirds of the Trustees present and voting. The motion must provide limitations for negotiation of contract duration, salary and benefits, and other contract terms. Approval to exceed these pre-approved limitations will require a majority vote of the Board prior to offering or reaching agreement with the candidate.
 - v. In the event that no candidate receives a two-thirds majority vote, or if contract terms cannot be settled with an approved candidate, the Board may take any appropriate action, including
 - postponing the CEO selection question to a future Board meeting;
 - obtaining further information regarding candidate(s) recommended by the CEO Search Committee;
 - interviewing candidate(s) recommended by the CEO Search Committee but not yet interviewed;
 - returning the CEO selection question to the CEO Search Committee for further consideration; or

- requesting the Executive Search Firm to make further recommendations of appropriate candidate(s).
- g. Employment Terms and Conditions.
- i. Approval of a candidate by the Board constitutes authorization to offer the position to the selected candidate.
 - ii. The existing contract for the Chief Executive Officer should be reviewed by the CEO Search Committee and may be used as a basis for establishing the contract to be offered to a Chief Executive Officer candidate. The existing terms and conditions may be customized to match the qualifications of the candidate or other relevant circumstances.
 - iii. Contract negotiations will be conducted by the Board Chair or as otherwise agreed between the Board Chair and the CEO Search Committee. The CEO Search Committee may elect to provide a consultant or other qualified individual to handle or assist with the negotiations.
 - iv. Legal approval is required prior to finalizing contract terms and conditions.
 - v. Once a mutually acceptable contract with the candidate, consistent with all Board-imposed limitations, has been negotiated, the Board Chair is authorized to sign the contract on behalf of DII.
- h. Transition Period.
- i. Where possible, a transition period should be instituted for the health of the corporation. The duration of this period may vary depending on circumstances.
 - ii. The transition period may include a short-term role for the outgoing Chief Executive Officer in facilitating the transition.
 - iii. The Executive Committee will make itself available to assist the new Chief Executive Officer through the initial year of employment.

SECTION D. PROGRAM POLICIES

D.1. SPONSORSHIPS

1. DII will propose, and entertain proposals for, sponsorship by companies and organizations whose corporate mission and history is consistent with the DII principles of good citizenship, teamwork, creative problem solving, cooperation, and contribution to an improved global quality of life. Direct sponsorship is prohibited from companies primarily involved in the production or sale of alcohol, tobacco, recreational drugs, promotion of violence in media, or anything else detrimental to the good name and image of DII.

2. DII will develop contractual sponsorship agreements in the best interest of Affiliates, allied organizations, and participants that will support DII goals and objectives and reflect the market interests of corporate sponsors.
3. Sponsors will be encouraged by DII to establish affiliate sponsorships on a local basis to the extent possible.

D.2. DESTINATION IMAGINATION TEAM FEES

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

D.3. INTERNATIONAL PARTICIPATION

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

D.4. AFFILIATE LICENSE AGREEMENT

1. An Affiliate is an organization licensed by DII to promote and administer the DII Challenge Program in a specific geographic territory.
2. The Affiliate License Agreement is the responsibility of the Chief Executive Officer, and is only to be distributed after approval by the Board. The License Agreement is for a term specified in the agreement, not to exceed two years.
3. An Affiliate License Fee structure for all Affiliates will be set by the Chief Executive Officer and approved by the Board.
4. The Chief Executive Officer is authorized to enter into negotiations with an Affiliate, when required, to add an addendum to the standard License Agreement. All addenda to the standard License Agreement that have significant operational or financial materiality must be approved by the Board prior to execution.

D.5. TEAM ADVANCEMENT AT TOURNAMENTS

1. Affiliates may set their own policy on the number of places (first, second, third, etc.) that advance in each challenge and level from one level of competition to the next within the Affiliate.
2. Advancement of teams to Global Finals will be determined as provided in the Affiliate License Agreement.

3. A team located within the territory of an Affiliate may participate in Global Finals only if the team has participated in at least one regional or affiliate tournament during that program year. This provision does not apply to university-level teams.

D.6. GLOBAL FINALS

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

D.7. VOLUNTEER CODE OF CONDUCT AND OTHER DII POLICIES

1. DII has developed a Volunteer Code of Conduct, a Youth Protection Policy, and other policies designed to help ensure that all participants in DII programs are treated with courtesy, respect, and positivity in accordance with applicable laws and commonly-accepted principles of decency and fairness. All DII staff, Board members, and volunteers serving in any capacity at a Destination Imagination tournament are required to comply with these standards and policies, and to annually certify in writing their agreement to comply on a form promulgated by the Chief Executive Officer or the Chief Executive Officer's delegee.
2. Violation of the Volunteer Code of Conduct, the Youth Protection Policy, or any other official DI policy may result in any of the following consequences:
 - a. Oral Reprimand – An oral reprimand is a verbal warning to punish or warn individual(s) who have been guilty of a minor violation. An oral reprimand will include the specific nature of the offence and the expected resolution. An oral reprimand will not be documented or retained by DII.
 - b. Written Reprimand – A written reprimand is a written warning to punish or warn individual(s) who have been guilty of a significant violation. A written reprimand will include the specific nature of the offence and the expected resolution. A written reprimand is retained by DII.
 - c. Suspension – Depending on the specifics of the violation, an individual's right to function within DII may be suspended for a time as decided by the Board of Trustees. Suspensions shall not be for a period greater than six months.
 - d. Banishment – In the case of the most serious violations, it may be necessary to mandate the non-participation of an individual or individuals within any and all programs offered by DII. This may be imposed only by a majority vote of the Board of Trustees and must be formally documented and retained on file by DII. Legal counsel may be consulted during this process. Banishment may be time-limited at the discretion of the Board.

- e. Legal Action – All violations of the Code of Conduct that have any risk of litigation must be referred to DII legal counsel for appropriate advice and action.

D.8. AWARDS

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

D.9 CHALLENGE DEVELOPMENT

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

SECTION E: FINANCIAL POLICIES

E.1. GENERAL POLICIES

1. The Chief Executive Officer will develop and implement operational financial policies (including policies regarding investments, internal control procedures, and purchasing practices) reflecting best practices for organizations of DII's character and size.
2. DII's fiscal year begins October 1 and ends September 30.
3. Bank and brokerage accounts may only be opened with Board approval. Each such account must have at least two signatories, at least one of whom is a member of the staff and at least one of whom is a member of the Board. The Treasurer must be promptly notified of all new accounts and all signatories on new accounts or changes of signatories on existing accounts.
4. Current operating funds and operating reserves must be kept in a bank or money market account insured by the FDIC. Funds and reserves in a single institution must not exceed the FDIC insurance limit, except that current operating funds may be held in a single account in an amount necessary to meet current cash flow needs and cash flow needs over the next three months.

E.2. GOVERNANCE

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

- ii. internal control procedures; and
 - iii. purchasing practices.
- c. Through the budget process, the Board will establish and maintain a financial reserve. To the extent possible without compromising the integrity of DII's programs, the reserve will provide for at least six months of operating expenses. The Board must authorize any disbursements from this reserve.
 - d. To provide employees and volunteers with a confidential means to report suspected financial impropriety or misuse of organization resources.

E.3. FINANCE COMMITTEE

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

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

E.4. CONTROLLER

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

E.5. CHIEF EXECUTIVE OFFICER

- 1. Any financial obligation in excess of \$25,000 that has not been approved as part of the annual budget must be presented to the Board for approval. Global Finals payments are excluded from this limitation as long as the amounts being paid are within contractual terms.

2. The Chief Executive Officer will execute all contracts as approved within the budget. Any contracts obligating the organization to more than \$100,000 must be co-signed by the Managing Director of Internal Operations.

E.6 BUDGET

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

E.7. INVESTMENT POLICY

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

E.8. DONATIONS AND GIFTS

1. The purpose of charitable donations and in-kind gifts is to provide an on-going source of funding to DII, to ensure its short-term and long-term viability.
2. DII solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. DII urges all prospective donors to seek the assistance of personal, legal, and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.
3. The DI Development and Management staff will present to the Board a formal fund-raising plan on an annual basis with quarterly progress updates. Donations will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, without limitations.
4. The following types of gifts may be accepted.
 - a. Cash, stocks, bonds, and other Investment Instruments

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

E.9 DONOR ACKNOWLEDGEMENT

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