

SKAGIT SYMPHONY



*Board of Directors
Handbook*

Policies



Skagit Symphony - McIntyre Hall

Policies revised: March 2015

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ADOPTED POLICIES OF THE SKAGIT SYMPHONY

(Revised June 2014)

ARTICLE I

THE BOARD

SECTION 1. PROFILE

- A.** The Board President sets the tone for the Board of Directors, creates the environment in which its work is accomplished, and is the Board's link with the Executive Director and the Music Director. Board members are dedicated to the orchestra, well informed, and willing to contribute their time, talent and resources.

While the Music Director is charged with fulfilling the artistic vision of the orchestra, the Executive Director's charge, while partly related to artistic matters, is to bring that vision within the realm of financial reality.

The relationship between these two visionary and ambitious leaders is marked by a creative and dynamic tension. The Board needs to understand and appreciate the different qualities each brings to the orchestra, support their common goals, and expect them, as professionals, to resolve their differences without interference.

- B.** The Symphony non-profit organization belongs to, is the responsibility of, with legal requirements, the Board of Directors. All fiscal oversight, fiscal liability and the overall well-being of the Symphony ultimately lies with the Board of Directors.
- C.** No individual Board member or staff member has the authority to act on behalf of the Board of Directors in any matters concerning the organization or in any matter in regard to any staff member unless given the authority by a vote of the Board.
- D.** The Board of Directors has the authority to hire and dismiss the Executive Director and Music Director/Conductor with a vote of the Board. However, the hiring and dismissal of other staff is the responsibility of the Executive Director and should not be interfered with as long as negotiated salaries and fees meet the annual budget and job descriptions, and annual reviews are submitted to the Board.

SECTION 2. BOARD MEMBERS' JOB DESCRIPTION

A. ROLES AND RESPONSIBILITIES:

Required:

1. Attend Board meetings (8 of 12 required).
2. Attend most Symphony concerts of the season.
3. Participate on at least one Board committee.
4. Participate in the Board's annual retreat to review the organization's mission, strategic plan, annual performance and help develop next year's plan.
5. Help solicit contributions to the annual donor fund and Symphony fundraisers.
6. Make a personal gift at one of the leadership levels
Maestro: \$10,000 and over
Symphony: \$5,000-\$9,999
Concerto: \$2,500-\$4,999
Quartet: \$1,000-\$2,499
Trio: \$500-\$999
Duet: \$250-\$499
Score: \$1 - \$249
7. Attend at least one of the Symphony fundraising or donor appreciation events.
8. Be a verbal advocate for the Symphony in every possible venue.

SECTION 3. FINANCES

- A. **FINANCIAL PREAMBLE.** It is the responsibility of the board to develop considered and sound financial policies for the Skagit Symphony. The board will develop a policy regarding cash reserves, estimated in the amount of a minimum of 50% of the annual budget, with the balance held as working capital that is defined as cash or cash equivalents readily available for use.
- B. **LOW FUNDS.** The Finance Committee shall meet to access and develop short-term and long-term funding and expense cutting proposals for the Board to approve when the working capital falls below two months factored to the annual budget.
- C. **CHECK SIGNING.** The Executive Director will sign all checks for the Symphony, with the oversight of the Treasurer and according to the Bylaws and Policies of the Board. The Executive Director may sign all checks, up to \$4,000.00. Checks over that amount shall require a second signature. Four people will be listed as signers on the checking account: the Treasurer, President, President-Elect, and Executive Director.

- D. INTERNAL REVIEW.** Financial records shall be examined by the Board’s accountant quarterly. Annual audits shall be provided by the Board when deemed necessary.
- E. EVENT CASH RECEIPTS.** Shall be counted, dated and signed by two people.
- F. RSVP.** Reservations for fundraisers and other Symphony events must be confirmed with a credit card, cash or check payment. All RSVP’s shall be processed by the Executive Director or a staff member specifically trained for the purpose. Reservation records shall include, but not be limited to: name, address, phone, credit card number or check number.
- G. FUND DEVELOPMENT.** Sponsorship funding shall be determined by the Board and reviewed annually.
- H. NONPROFIT STATUS.** Because of the “educational nature” of the Symphony’s work, it can be classified as a nonprofit organization under Section 501(c) (3) of the Internal Revenue Code, making the organization tax exempt. Charitable contributions made to the Skagit Symphony are deductible on federal income tax returns.
- I. EXPENDITURES.** All expenditures of the Symphony must be approved by the Board, either within the budget or by a separate vote.

SECTION 4. OPERATIONS

- A. AUTHORITY TO ENTER CONTRACTS.** All operating contracts will be signed by the Executive Director. All working agreements will be signed by the Board President and the Secretary.
- B. STAFF.** All paid staff positions of the Symphony organization must be supported with:
 - a. Job description
 - b. Job evaluation form
- C. INDEPENDENT CONTRACTORS.** All independent contractors shall sign a contract with the Executive Director.
- D. MEETING ATTENDANCE.** The Board President shall contact Board members when their attendance falls below the expected levels. Three consecutive absences will be reviewed by the Board President and Executive Director, and they shall make suggestions to the Board to decide appropriate actions in this regard.

E. RECORDS.

1. The Board President must pass to the newly-elected incoming President all presidential records that include, but not limited to:
 - a. Bylaws and policy manual.
 - b. Executive Director and Music Director job descriptions, job evaluations and working agreements — signed originals. (Copies must be filed in the Symphony office.)
2. All other records shall pass to the Executive Director to store at the Symphony office.

SECTION 5. STANDING COMMITTEES AND RESPONSIBILITIES

A. FINANCE COMMITTEE. Membership includes the Board President, Treasurer/Accountant, the Executive Director, and one additional board member..

1. The Finance Committee shall monitor the financial records of the Board.
2. Prior to the March Board meeting of each year the committee shall meet to formulate the proposed annual budget for the following concert season, present the new budget to the Board at the March Board meeting, then vote on the annual budget before the end of the fiscal year (June 30).

B. FUNDRAISING.

1. **FUND DEVELOPMENT COMMITTEE.** Chair appointed by the Board President. The committee shall propose an overall fundraising strategy to present to the board, including the following:
 - a. Development of new ideas for fundraising
 - b. Oversight of the annual appeal
 - c. Oversight of specific events
 - d. Oversight of grant writing
 - e. Oversight of sponsorships
2. **SPECIFIC FUNDRAISER CHAIRPERSONS.** Shall be responsible for their specific event.
3. **EXECUTIVE DIRECTOR.** The executive Director shall act as support for all fundraising activities.

C. PROGRAM COMMITTEE. The program committee shall consist of the Executive Director and Music Director. They shall be responsible:

1. To develop all materials handed out at the concerts.

2. The chair shall collect all the information required, and then meet with the printer to develop and produce the printed handouts.

D. GOVERNANCE COMMITTEE. Board President and the Board President-Elect are members of the Governance committee. They will be responsible:

1. To select candidates from all areas of Skagit County in order to give a broad regional representation on the Board.
2. To conduct orientation for new board members, and serve as mentors for new members.
3. To develop inventory of potential candidates and nurture their interest in the Symphony.
4. Forecast characteristics of new Board members needed by the Symphony over the next 3-5 years. This should include the networks the Symphony needs to access as well as diversity characteristics such as age, race, sex, profession, skill areas, geographic locations, socio-economic status and so forth.

E. OTHER COMMITTEES. Committees may be formed as needed by the Board with membership, goals and period of activity, to be determined by the Board.

ARTICLE II

EXECUTIVE DIRECTOR

SECTION 1. PROFILE

- A.** Ex-officio non-voting member of the Board and shall attend all Board meetings.
- B.** Reports directly to the Board and the President with overall responsibilities that involve all aspects of the organization. This does not mean that the Executive Director carries out all tasks personally, but that he or she is responsible for seeing that all of them are handled in an appropriate manner. The Executive Director's artistic counterpart is the Music Director.
- C.** Fund Development. While the Executive Director does not assume full or primary responsibility for fiscal well-being, the major responsibilities for fund development rest with the Executive Director and staff. To this end, fund development must always remain the foremost priority of the Executive Director's duties and he must maintain open and honest communications with the Board as to administrative needs and support which should not surmount

Skagit Symphony Board of Directors Handbook, Section III: Policies

the funding duties.

SECTION 2. ANNUAL REVIEW

The Board President and another member of the Board shall implement a written annual review of the Executive Director.

During the first year of the position, a 6-month review shall be implemented.

ARTICLE III

MUSIC DIRECTOR/CONDUCTOR

SECTION 1. PROFILE

- A.** Ex-officio non-voting member of the Board and shall attend all Board meetings.
- B.** Reports directly to the Board and the Board President and is responsible for the fulfillment of the orchestra's artistic potential and its image in the community. The Music Director is responsible for the repertoire, programming and artistic production, and has ultimate authority for the selection, development and (if necessary) replacement of musicians. As the orchestra's artistic leader, the Music Director must build and sustain the orchestra's visibility and involvement in the community. The Music Director is expected to work closely with the Executive Director and Board President in carrying out these responsibilities.

SECTION 2. ANNUAL REVIEW

- A.** The Board President and another member of the Board shall implement an annual evaluation of the Music Director.

During the first year of this position, a six-month review shall be implemented.

- B.** Written reviews shall be filed with the Board President.

ARTICLE IV

Skagit Symphony Board of Directors Handbook, Section III: Policies

MUSIC LIBRARY

- A.** Music loaned to other groups must be supervised by the Music Director or designee and the Symphony Treasurer.
- B.** The Music Director or designee shall be responsible for the cataloging and storage of all musical scores owned by the Symphony.

ARTICLE V

FINANCIAL POLICIES

SECTION 1. FINANCIAL ASSET MANAGEMENT POLICY

Purpose and Overview

The long term survivability of The Skagit Symphony depends on a stable financial base, predictable cash flows and prudent financial management. The Symphony has multiple sources of income ranging from ticket sale receipts to grant awards, special event income and the generous donations of the community patrons and sponsors. It is essential that these financial resources be carefully managed to meet current cash needs and to build cash reserves as a hedge against unanticipated financial stress.

Financial Management Plan

The Skagit Symphony will have three types of funds:

1. Normal operating funds readily available to the symphony management to spend for normal Symphony operations. The funds will be maintained in a current checking account and an interest bearing savings account both in a financial institution selected by the Board.
2. Cash reserve funds that will be placed in long term investments and managed as outlined in the Symphony's Cash Reserve Investment Policy.
3. Endowment funds derived from donations and managed by the Skagit Community Foundation. The principle of these fund pools are not available to the symphony unless unusual circumstances require The Skagit Symphony Board to request a principle fund disbursement to meet The Skagit Symphony expenses after all other financial resources have been exhausted. However, the investment income from these funds is available to add to either of the two cash categories above.

Management Responsibility

Decisions regarding the allocation of funds between the various fund types are informed by the annual operating budget and the current financial conditions. Allocation decisions are the responsibility of the Board Treasurer and the Symphony Executive Director with approval by the Finance Committee.

SECTION 2. CASH RESERVE INVESTMENT POLICY STATEMENT

Skagit Symphony Board of Directors Handbook, Section III: Policies

Purpose and Overview

This policy statement provides guidance to The Skagit Symphony Executive Director and the Board regarding the management of cash reserves in accordance with the investment goals and objectives established by The Skagit Symphony Board. The reserve portfolio is intended to support the financial stability of The Skagit Symphony in times of financial distress due to shortfalls in current cash flow. The reserves serve as an alternate income source to support continuing operations while actions are taken to remediate the cash flow shortfall. Likewise, the reserves can be used to selectively support opportunities to enhance and promote the mission of The Skagit Symphony.

Investment Objectives

Return

The first and foremost goal of the reserve funds is to provide a potentially significant contribution to operating funds in the event of a negative cash flow from normal operations. Secondary consideration is to maintain the purchasing power of the reserve funds. While not a primary focus, final consideration is given to contributing to the growth of the reserve pool through capital appreciation at a rate that exceeds long-term inflation by at least 4%.

Risk

The critical obligation of the reserve is to support The Skagit Symphony operations in times of financial distress. This distress may be a local condition or the result of stress in the overall economy. Therefore, it is of primary importance that the portfolio is built around the preservation of capital and availability of liquidity. Portfolio objectives can thus best be accomplished with a diversified portfolio primarily committed to relatively moderate volatility, highly liquid and high quality assets.

Investment Constraints

Liquidity

The reserve portfolio must maintain sufficient liquidity, through the choice of investment vehicles and asset allocation, to be able to meet The Skagit Symphony obligations by funding expenses in the event of a shortfall in cash inflows over cash outflows. Liquidity needs are therefore minimal under normal conditions, but are high in an unanticipated, significant event leading to a distressed situation.

Time Horizon

p. 2 The portfolio has a long time horizon (greater than 5 years) because its purpose is to support the ongoing, perpetual operation of The Skagit Symphony.

Taxes

The Skagit Symphony is a 501 (c)(3) non-profit organization and the reserve portfolio is not subject to taxes under U.S. tax laws.

Portfolio Investment Policies

Asset allocation policy

The strategic allocation of portfolio assets across broadly defined financial asset and sub-asset categories with varying degrees of risk, return, and risk return correlation will be the most significant determinant of long-term investment returns and portfolio asset value stability.

Actual returns and return volatility may vary from expectations and return objectives across short periods of time; however, it is important that flexibility be maintained with regard to making periodic changes to the portfolio asset allocation and major changes only be considered in the event of material changes to the capital markets and the asset classes in which the portfolio is invested.

Portfolio assets will be managed as a balanced fund composed of two major components: equity and a fixed income portion. The expected role of the portfolio equity investments will be to maximize the long-term real growth of the portfolio assets, while the role of the fixed income investments will be to generate current income, provide for more stable periodic returns, and to provide some protection against a prolonged decline in the overall market value of the portfolio equity investments.

Cash investments will, under normal circumstances, only be considered as temporary portfolio holdings, and will be primarily used to meet liquidity needs.

Asset Allocation Guidelines

	Lower Limit	Strategic Allocation	Upper Limit
Asset Class (%)			
Total Equity	50	70	75
Total Bonds	25	30	35
Total Cash Reserves	0	0	10

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The allocation to equity securities is not to exceed 75%

The portfolio should avoid exposure to nontraditional, illiquid and/or nonmarketable securities such as venture capital, hedge funds and real estate investments except for marketable REITs.

Diversification Policy

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Diversification across and within classes is the primary means for the portfolio to avoid undue risk of large losses over long periods of time. It is important to take precautions to avoid excessive investment concentrations. The following guidelines are in place:

- a) With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total portfolio assets.
- b) With the exception of passively managed investment vehicles seeking to match the returns of a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total portfolio assets.
- c) With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be upper medium grade or higher (Standard & Poor's A- or Moody's A3).

Rebalancing

It is expected that the portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes. The portfolio should be rebalanced to its target asset allocations following periodic review.

- a) Realignment of current weightings to more closely align with the target normal weightings will be based on incoming cash flows or outgoing disbursements.
- b) The Finance Committee on a quarterly basis will review the investment portfolio and a full report to the Board will be presented at least semiannually. Rebalancing will be triggered by a change of +/-5 percentage points of any asset class (equity or fixed income) from the target weightings. The Committee or Board may provide a rebalancing recommendation at any time if unusual circumstances warrant.

Other Investment policies

Unless expressly authorized by The Skagit Symphony Board the portfolio investments will not include:

- a) Purchasing securities on margin or executing short sales.
- b) Purchasing or selling derivative securities for speculation or leverage.
- c) Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of the portfolio.

At any time, in consultation with the Finance Committee The Skagit Symphony Board is free to engage a new investment advisor or change the current investment advisory structure; however, this investment policy will continue to provide the guiding principles for the management of the investment portfolio.

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ARTICLE VI

CONFLICT OF INTEREST

This Conflict of Interest Policy of The Skagit Symphony: (1) defines conflicts of interest; (2) identifies classes of individuals within the Symphony covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.

- 1. Definition of conflicts of interest.** A conflict of interest arises when a person in a position of authority over the Skagit Symphony may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.
- 2. Individuals covered.** Persons covered by this policy are the Skagit Symphony's officers, directors, and Executive Director.
- 3. Facilitation of disclosure.** Persons covered by this policy will annually disclose or update to the Board President on a form provided by the Skagit Symphony their interests that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members.
- 4. Procedures to manage conflicts.** For each interest disclosed to the Board President of Directors, the Board President will determine whether to: (a) take no action; (b) assure full disclosure to the Board of Directors and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions within the Skagit Symphony; or (d) ask the person to resign from his or her position in the Skagit Symphony or, if the person refuses to resign, become subject to possible removal in accordance with the Skagit Symphony's removal procedures. The Skagit Symphony's Executive Director will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the Board President in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

ARTICLE VII

WHISTLEBLOWER POLICY

This Whistleblower Policy of the Skagit Symphony: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Board of Directors (2) specifies that the Board of Directors will

protect the person from retaliation; and (3) identifies where such information can be reported.

1. **Encouragement of reporting.** The Board of Directors encourages complaints, reports or inquiries about illegal practices or serious violations of the Board of Directors' policies, including illegal or improper conduct by the Board itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Board of Directors has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Board of Directors' human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

2. **Protection from retaliation.** The Board of Directors prohibits retaliation by or on behalf of the Board against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Board reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

3. **Where to report.** Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the Executive Director or Board President. If both of those persons are implicated in the complaint, report or inquiry, it should be directed to the Board President-Elect of the Skagit Symphony. The Board of Directors will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the Board of Directors may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

ARTICLE VIII

DOCUMENT RETENTION AND DESTRUCTION

This Document Retention and Destruction Policy of the Skagit Symphony identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of the Skagit Symphony's documents and records.

1. **Rules.** The Skagit Symphony's staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with them) are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Human Resources, Legal or Skagit Symphony Board of Directors Handbook, Section III: Policies

Administrative staffs/departments or their equivalents; (b) all other paper documents will be destroyed after three years; (c) all other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year; and (d) no paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.

2. **Terms for retention.**

a. Retain permanently:

Governance records – Charter and amendments, Bylaws, other organizational documents, governing board and board committee minutes. Tax records – Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence, files related to tax audits. Intellectual property records – Copyright and trademark registrations and samples of protected works. Financial records – Audited financial statements, attorney contingent liability letters.

b. Retain for ten years:

Pension and benefit records -- Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies, and supporting records. Government relations records – State and federal lobbying and political contribution reports and supporting records.

c. Retain for three years:

Employee/employment records – Employee names, addresses, social security numbers, dates of birth, INS Form I-9, resume/application materials, job descriptions, dates of hire and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, time/payroll records, leave/comp time/FMLA, engagement and discharge correspondence, documentation of basis for independent contractor status (retain for all current employees and independent contractors and for three years after departure of each individual).

Lease, insurance, and contract/license records – Software license agreements, vendor, hotel, and service agreements, independent contractor agreements, employment agreements, consultant agreements, and all other agreements (retain during the term of the agreement and for three years after the termination, expiration, non-renewal of each agreement).

d. Retain for one year:

All other electronic records, documents and files – Correspondence files, past budgets, bank statements, publications, employee manuals/policies and procedures, survey information.

3. **Exceptions.** Exceptions to these rules and terms for retention may be granted only by the Skagit Symphony’s Executive Director or Board President

ARTICLE IX

PROCESS FOR DETERMINING COMPENSATION

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This Policy on the Process for Determining Compensation of the Skagit Symphony applies to the compensation of the following persons employed by the Skagit Symphony:

The Executive Director and Musical Director

The process includes all of these elements: (1) review and approval by the board of directors or compensation committee of the Skagit Symphony; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

1. **Review and approval.** The compensation of the person is reviewed and approved by the board of directors or compensation committee of the Skagit Symphony, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
2. **Use of data as to comparable compensation.** The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
3. **Contemporaneous documentation and recordkeeping.** There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

ARTICLE X

JOINT VENTURES

This Joint Venture Policy of the Skagit Symphony requires that the Skagit Symphony evaluate its participation in joint venture arrangements under Federal tax law and take steps to safeguard the Skagit Symphony's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

A. **Joint ventures or similar arrangements with taxable entities.** For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the Skagit Symphony controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:

(a) 95% or more of the venture's or arrangement's income for its tax year ending within the Skagit Symphony's tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and

(b) The primary purpose of the Skagit Symphony's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

2. Safeguards to ensure exempt status protection. The Skagit Symphony will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Organization's exempt status is protected; and (b) take steps to safeguard the Skagit Symphony's exempt status with respect to the venture or arrangement. Some examples of safeguards include:

(i) control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the Skagit Symphony;

(ii) requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;

(iii) that the venture or arrangement not engage in activities that would jeopardize the Skagit Symphony's exemption; and

(iv) that all contracts entered into with the organization be on terms that are arm's length or more favorable to the Skagit Symphony.

Revisions:

May 2014: revised many sections for clarity, changing name of organization throughout to Skagit Symphony, deleted section on Symphony League (no longer needed), tidied language for clarity.

March 2015: added new section V for financial policies; re-numbered following policies; added contents pages to Policies and Bylaws for easier location of items.