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LIST OF POLICIES FOR NY TAX-EXEMPT ORGANIZATIONS November 28, 2018

NPCL = New York Not-for-Profit Corporation Law

Note: There are similar provisions governing NY charitable trusts under the Estates Powers & Trusts Law (EPTL)

Policy	Mandatory?	What it does
Conflict of Interest Policy	Recommended by IRS (question on the Form 990). Under NPCL 715-a, mandatory for all NY nonprofit corporations including religious corporations and educational corporations	Defines conflict of interest; requires Board or Board committee to handle; certain persons cannot participate in deliberations/vote; annual questionnaire mandated for directors
Whistleblower Policy	Recommended by IRS (question on Form 990). Under NPCL 715-b, mandatory for all NY charitable trusts and nonprofit corporations with \$1 million or more gross annual revenue AND 20 or more employees	Establish procedures for whistleblower complaints by officers, directors, employees and volunteers; Board or Board committee must follow statutory requirements
Sexual Harassment Policy	Under NY Labor Law 201-g, mandatory for all NY employers	Establish procedures for sexual harassment complaints; prohibit sexual harassment
Investment Policy	Under NPCL 552(f), mandatory for all NY nonprofit corporations with institutional funds (funds other than program-related assets)	Guidelines on investments and delegation of management and investment functions per the NY Prudent Management of Institutional Funds Act (NYPMIFA)
Audit Oversight Procedures	Best practices for NY nonprofit corporations required to file an audit report with the Charities Bureau under NY Executive Law 172-b. For such corporations, NPCL 712-a requires that the independent directors oversee audit and financial reporting process.	Describes Board or Audit Committee's duties and responsibilities related to oversight of audits and financial reporting
Grantmaking Policy	Best practices for grantmaking institutions (question on IRS Form 1023 related to procedures for oversight of distributions)	Sets our parameters under which a nonprofit, grantmaking organization can make grants; helps to differentiate between

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		program-related budget and grantmaking budget
Spending Policy	Best practices for NY nonprofit corporations with endowment funds (NPCL 553)	Describes rules for appropriating endowment funds
Committee Charters	Best practices for nonprofits with committees	Defines committee purpose, composition, duties and limits on authority
Document Retention and Destruction Policy	Best practices; IRS recommended (question on the Form 990)	Guidelines for what to preserve, in what format, and how long, and rules for deletion/destruction
Gift Acceptance Policy	Best practices	Governing the receipt of non-cash gifts such as gifts-in-kind and unusual gifts (land, vehicles, artwork etc.)
Accounting Policies and Procedures Manual	Best practices and recommended by NY Charities Bureau; auditors will ask to see the Manual	Internal procedures for cash handling, disbursements, handling of grant funds, etc. Ensure separation of responsibilities to reduce risks
Joint Venture Policy	Recommended by IRS (question on Form 990) for nonprofits engaging in joint ventures	Must include safeguards for nonprofit organization's exempt status
Racially Nondiscriminatory Policy	Under IRS Revenue Procedure 75-50, 1975-2 C.B. 587, mandatory for tax-exempt private schools	Prohibit discrimination against applicants and students on the basis of race, color, or national/ethnic origin
Code of Ethics	Under NY General Municipal Law, mandatory for NY quasi-governmental organizations such as charter schools, local development corporations, as well as fire companies	Prohibits certain transactions even if otherwise allowed under Conflict of Interest Policy
Incident Response Plan	Depends on industry, but mainly an expected practice	Identifies key organizational roles and explains core elements of a data incident: preparation, identification, containment/eradication and recovery
Privacy Policy	Mandatory for organizations subject to specific state, federal or foreign rules	Specify what type of data is collected, how it can be used,

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	such as the Children’s Online Privacy Protection Act, HIPAA, the Gramm-Leach-Bliley Act, California statute, Connecticut statute, and the EU General Data Protection Regulation (GDPR)	who to contact with questions, etc.
Miscellaneous policies	As appropriate or if mandated in specific circumstances	May include Code of conduct Reserves Confidentiality Compensation Expense reimbursement Personal contribution Meeting attendance Indemnification Diversity Term limits Nepotism, fraternization Media/public relations Acceptance of gifts Fundraising policy Fixed Assets

The above chart provides general guidelines and does not cover all policies that may be mandated or recommended for a nonprofit organization. For questions, please contact:

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