



**THE PENNSYLVANIA RAILROAD  
TECHNICAL AND HISTORICAL SOCIETY  
A PENNSYLVANIA NON-PROFIT CORPORATION**

# **POLICY MANUAL**

**June 24, 2010**

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# PRRT&HS Code of Ethics and Conduct

This Pennsylvania Railroad Technical & Historical Society (here after Society) Code of Ethics and Conduct (“Code”) requires directors, officers and staff members to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. An “affiliate” is a person who works with the Society in a capacity other than as a director, officer, staff member as an affiliate or otherwise. As representatives of the Society, all parties must act in accordance with this Code of Ethics and Conduct.

## **I. Personal and Professional Integrity**

All directors, officers, staff and affiliates of the Society must act with honesty, integrity, and openness in all their dealings as representatives of the Society. The Society promotes a working environment that values respect, fairness, and integrity.

## **II. Mission**

The Society has a clearly stated mission and purpose as stated in Article II of the Bylaws. All of its programs support that mission and all who work for or on behalf of the Society understand that they must support and be loyal to that mission and purpose.

## **III. Governance**

The Society has an active governing body, the board, which is responsible for setting the mission and strategic direction of the Society and oversight of the finances, operations, and policies of the Society. The board

- Ensures that its members have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the Society and its public purpose.
- Has a conflict-of-interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal, or other means.
- Has a statement of personal commitment that provides attestation to the commitment to the Society’s goals and values.
- Ensures that the President and appropriate staff provide the board with timely and comprehensive information so that the board can effectively carry out its duties.
- Ensures that the Society conducts all transactions and dealings with integrity and honesty.
- Ensures that the Society promotes working relationships with board members, officers, staff and affiliates that are based on mutual respect, fairness, and openness.
- Ensures that the Society is fair and inclusive in its policies and practices for all board, officer, staff, and affiliate positions.
- Ensures that policies of the Society are in writing, clearly articulated, and officially adopted.
- Is responsible for engaging independent auditors to perform an annual audit of the Society’s financial statements, and has an audit committee that is responsible for overseeing the reliability of financial reporting including the effectiveness of internal control over financial reporting, reviewing, and discussing the annual audited financial statements to determine whether they are complete and consistent with operational and other information known to the committee members, understanding significant risks and exposures and management’s response to minimize the risks, and understanding the audit scope and approving audit and non-audit services.
- Ensures that the resources of the Society are responsibly and prudently managed
- Ensures that the Society has the capacity to carry out its programs effectively.

## **IV. Responsible Stewardship**

The Society manages its funds responsibly and prudently. This includes the following considerations:

- Spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management.
- Knows that solicitation of funds has reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs.
- Draws prudently from endowment funds consistent with donor intent and to support the public purpose of the Society.

- Ensures that all spending practices and policies are fair, reasonable, and appropriate to fulfill the mission of the Society.
- Ensures that all financial reports are factually accurate and complete in all material respects.

#### **V. Openness and Disclosure**

The Society provides comprehensive and timely information to the public, the media, and all stakeholders and is responsive in a timely manner to reasonable requests for information. All information about the Society will fully and honestly reflect the policies and practices of the Society. All solicitation materials accurately represent the Society's policies and practices and will reflect the dignity of program beneficiaries. All financial, organizational, and program reports will be complete and accurate in all material respects.

#### **VI. Legal Compliance**

The Society is knowledgeable of, and complies with, laws and regulations.

#### **VII. Program Evaluation**

The Society regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs. The Society is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities. The Society is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

#### **VIII. Inclusiveness and Diversity**

The Society promotes inclusiveness and its board, officers, staff and affiliates reflect diversity in order to enrich its programmatic effectiveness. The Society takes meaningful steps to promote inclusiveness in its board, officer, staff and affiliate recruitment.

#### **IX. Fundraising**

The Society's solicitation of funds from the public or from donor institutions uses material that is truthful about the Society. The Society respects the privacy concerns of individual donors and expends funds consistent with donor intent. The Society discloses important and relevant information to potential donors.

Donors will be informed of the mission of the Society, the way the resources will be used, and their capacity to use donations effectively for their intended purpose. Further, they will

- Be informed of the identity of those serving on the Society's governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- Have access to the Society's most recent financial reports.
- Be assured their gifts will be used for purposes for which they are given.
- Receive appropriate acknowledgment and recognition.
- Be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- Be approached in a professional manner.
- Be informed whether those seeking donations are affiliates, employees of the Society, or hired solicitors.
- Have the opportunity for their names to be deleted from mailing lists that the Society may intend to share.
- Be encouraged to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

#### **X. Reporting Responsibility**

It is the responsibility of all directors, officers, staff and affiliates to comply with this Code of Ethics and Conduct and to report violations or suspected violations to the Compliance Officer in accordance with the Whistleblower Policy. The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within ten (10) business days, unless the submission of the violation is anonymous. All reports will be promptly investigated and reported to the President and/or the directors for appropriate corrective action if warranted by the investigation.

# PRRT&HS Conflict Of Interest Policy

## I. PURPOSE OF THE CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy of the Pennsylvania Railroad Technical and Historical Society (PRRT&HS), hereinafter referred to as the Society, is to protect the Society when it is contemplating entering into a contract, transaction or arrangement that has the potential for benefiting the private interest of a “Significant Person” as defined below. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## II. STATEMENT OF POLICY

The Society will not engage in any contract, transaction or arrangement involving a Conflict of Interest without establishing appropriate safeguards to protect the interests of the Society. To that end:

- a. Each Significant Person must promptly, fully and timely comply with the disclosure requirements set forth in this policy, or as otherwise adopted by the Board in accordance with this policy.
- b. All transactions, contracts or arrangements involving a conflict of interest must be reviewed by the board or by a designated body of disinterested persons.
- c. The Board, or designated body, must determine by a majority vote of disinterested persons that appropriate safeguards are in place to protect the interests of the Society and are consistent with the purposes of this Policy.
- d. Where appropriate, the Board or designated body shall seek advice of legal counsel.

This Policy applies to (a) Significant Persons, and (b) any contract, transaction or arrangement involving the Society.

## III. DEFINITIONS APPLICABLE TO THE POLICY

Significant Person. Any director, officer, key employee or committee member with board delegated powers is a Significant Person.

Conflict of Interest. A “Conflict of Interest” exists whenever a Significant Person has a significant personal interest in a proposed contract, transaction or arrangement to which the Society may be a party.

Significant Personal Interest. A Significant Personal Interest exists if the Significant Person, directly or indirectly, through business, investment, or family member, has a (n):

- a. ownership or investment interest in any entity with which the Society has a contract, transaction or arrangement;
- b. compensation arrangement with the Society;
- c. compensation arrangement with any entity or individual with which the Society has a contract, a transaction or arrangement;

- d. potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Society is negotiating (or is proposing to negotiate) a contract, a transaction or arrangement; or
- e. fiduciary position (*e.g.*, member, officer, director, committee member), whether compensated or uncompensated, with another, unaffiliated organization (i) which directly competes with the Society in terms of services or for charitable contributions; or (ii) with which the Society has (or is proposing to enter into) a contract, transaction or arrangement.

Compensation includes direct and indirect remuneration, consulting fees, board or advisory committee fees, honoraria, as well as gifts or favors that are not insubstantial.

A Significant Interest is not necessarily a conflict of interest. Article IV, Section 4 describes the procedure that will be used to decide whether or not a conflict of interest exists.

Family Member. With respect to a Significant Person, a “Family Member” means:

- a. the Person’s spouse;
- b. a brother, sister, parent, grandparent, child, grandchild, great grandchild (by whole or half blood) of the Person or the Person’s spouse, or
- c. the spouse of an individual listed in paragraph (b),

However, a Family Member includes individuals listed in paragraphs (a) and (b) (other than a child) *only* if the individual lives in the Person’s household, the Person manages the individual’s financial affairs, or the Person is aware without special inquiry that the Family Member holds a particular Interest.

#### **IV. PROCEDURES FOR IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST**

Annual Questionnaire. Each Significant Person shall completely, accurately and timely submit the annual *Conflict of Interest Questionnaire* (the “Annual Questionnaire”) as prepared and distributed by the Board.

Duty to Disclose. A Significant Person must disclose the existence of any Interest and be given the opportunity to disclose all material facts to the persons the board has designated to consider the proposed contract, transaction or arrangement. Such information must be provided so that decisions are made with full knowledge and understanding of the Significant Person’s interest.

Continuing Disclosures. If, after completion of the Annual Questionnaire, any Significant Person becomes aware of anything that could give rise to a potential Conflict of Interest with respect to a proposed contract, transaction or arrangement involving the Society, the Significant Person shall promptly disclose that Interest to the Board or its designee.

#### **V. PROCEDURE FOR DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS**

The Board shall determine by a majority vote of disinterested directors whether the disclosed Interest may result in a conflict of interest after meeting, discussing and voting on the matter. The Board shall:

- a. review responses to the Annual Questionnaire and any continuing disclosures that are made during the year;

- b. take such steps as are necessary to identify Interests and review any so identified;
- c. make such further investigation as it deems appropriate with regard to Interests disclosed or identified; and
- d. determine whether any such Interest gives rise to a Conflict of Interest.

The Board may request additional information concerning the relevant Interest from all reasonable sources before reaching a determination. A Significant Person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

## **VI. PROCEDURE WHEN A CONFLICT OF INTEREST EXISTS**

Where a conflict of interest is determined to exist, the Society shall not enter into the proposed contract, transaction or arrangement unless the Board has complied with the following:

- a. The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed contract, transaction or arrangement.
- b. After exercising due diligence, the Board shall determine whether the Society can, with reasonable efforts, get a more advantageous contract, transaction or arrangement from a person or entity without a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably possible, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Society's "best interest", for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board shall make its decision as to whether to enter into the contract, transaction or arrangement.

## **VII. PROCEDURE FOR VIOLATIONS OF THE POLICY**

- a. If the Board has reasonable cause to believe a Significant Person has failed to comply with the disclosure requirements in this Policy, it shall inform the Person of the basis for such belief and afford the Person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Significant Person's response and after making further investigation as warranted by the circumstances, the Board or committee determines the Significant Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **VIII. DOCUMENTATION OF PROCESS**

The minutes of the Board (and all committees with board delegated powers) shall contain:

- a. The names of the Significant Persons who disclosed or otherwise were found to have an Interest being considered at such meeting by the Board, the nature of the Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions relating to the contract, transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
- c. If appraisals (for tangible property) or third party comparable data (for compensation) were considered by the Board, the nature and source of the data.

## **IX. ANNUAL AFFIRMATION STATEMENT**

Each Significant Person shall annually sign the statement at the end of the attached Annual Questionnaire and affirm:

The person has received a copy of this Conflict of Interest Policy,

The person has read and understands the Policy,

The person agrees to comply with the Policy, and

The person understands the Society is a charitable organization and, in order to maintain its federal tax exemption, it must continuously engage primarily in activities that accomplish one or more of its tax-exempt purposes.

## **X. PERIODIC REVIEWS**

To ensure that the Society operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

Whether compensation arrangements and benefits are reasonable, are based on competent survey information, and are the result of arm's length bargaining.

Whether partnerships, joint ventures, and arrangements with management organizations conform to the Society's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **XI. USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, the Society may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.



## Conflict Of Interest Questionnaire - Explanation

This questionnaire should be completed and signed by all of those on our official list of Officers and Directors. The questionnaire is designed to cover a multitude of different type of entities that would normally have people who will have to answer “yes” to many of the questions. Some will feel that the questions are not applicable or are inappropriate. However; as a tax exempt entity we have an obligation to have these documents completed on an annual basis and retained in our records. This is a standard form type of document that is very similar the forms completed and signed by officers of corporations. The goal is transparency and compliance with IRS regulations that have had to have been put in effect because of well known abuse by those who are associated with tax exempt organizations.

Section III B requires that we attach to the Officer and Director list and a list of significant service providers so the person completing the questionnaire can review the list to answer the questions in Section III.

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## PRRT&HS Conflict Of Interest Questionnaire

### Purpose of this Questionnaire

The Conflict of Interest Policy (the “Policy”) adopted by the Board of Directors of the Pennsylvania Railroad Technical & Historical Society (the Society) requires disclosure of certain Interests. It is not uncommon to have these interests, but it is very important to make them known to the Society you serve.

Use this questionnaire to disclose where you or your Family Members have certain affiliations, interests or relationships, and/or have taken part in transactions that, in light of your relationship to the Society, might possibly give rise to an actual, apparent or potential conflict of interest.

### How to Use this Questionnaire

1. Please read the Conflict of Interest Policy for the definitions of all capitalized terms used in the Questionnaire.
2. Answer all questions. Check “No” where applicable (please do not leave any question blank if the correct response is “no”).
3. Any response should take into consideration your relationship with and your role within the Society.
4. Where this Questionnaire refers to “you,” it is also referring separately to each Family Member. For purposes of this Questionnaire, the definition of “Family Member” is extremely inclusive. “Family Member” includes a brother, sister, parent, grandparent, child, grandchild or great grandchild (by whole or half blood) of the “Significant Person” or his/her spouse.
5. Your response should indicate whether you are disclosing an Interest of you or of a Family Member (and, in the case of a Family Member, the nature of your relationship with that Family Member).
6. Include all material facts as requested by this Questionnaire.
7. Disclose all possible Interests that currently exist, even if you previously reported them. Interests that are new either since the filing of your last Questionnaire, or since the beginning of your relationship with the Society should also be reported on this Questionnaire. A potential Conflict of Interest can arise from many circumstances, not just those described in this Questionnaire. **You must report to the Board any relationship that creates an Interest that occurs between now and the completion of the next annual meeting.**
8. **Questionnaire.** Any potential conflicts of interest that may arise after the questionnaire has been completed should be immediately reported to: Al Buchan, President of the Society.
9. Complete the questionnaire, date it and sign the affirmation at the end of the document (page 14).

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## CONFLICT OF INTEREST QUESTIONNAIRE AND ACKNOWLEDGMENT

(To be completed by Officers, Directors, Trustees, Key Employees and members of Board committees)

NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

In accordance with the purposes and intent of the Conflict of Interest Policy adopted by the Board of Directors of the Society, a copy of which has been furnished to me, I hereby disclose that I or my Family Members have the following affiliations, interests or relationships, and/or have taken part in the following transactions:

### I. BACKGROUND

- A. What position(s) do you hold and what relationship(s) do you maintain with respect to the Organization (*e.g.*, trustee, director, committee member, officer, executive, professional advisor, vendor, etc.)?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### II. OUTSIDE INTERESTS

- A. Do you or any Family Member (as defined on previous page, number 4) hold, directly or indirectly, through business, investment or immediate family, any of the following:

- i. An ownership or investment interest in a company that does or may do business with, or that competes with the Society, regardless of the percentage of ownership or value of the ownership interest?

( ) No      ( ) Yes - Explain below

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- ii. A compensation arrangement with any Company that does or may do business with, or that competes with, the Society (such as compensation for employment or independent contractor services, consulting fees, board stipends or fees, advisory committee fees, honoraria and the like)?

( ) No      ( ) Yes - Explain below

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

iii. A director, trustee, officer or board committee position with any other Company that does or may do business with, or that competes with the Society (including competition for grants or donations)?

No  Yes - Explain below

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iv. Any personal loans, advances or other borrowing from, or indebtedness to, any customer or supplier who also does or may do business with any the Society? (You may exclude charge cards, and personal or mortgage loans at market rates at financial institutions such as banks, finance companies, insurance companies, and savings and loan associations.)

No  Yes - Explain below

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B. Do you or any Family Member compete, directly or indirectly, with the Society in the purchase or sale of property rights, interests or services?

No  Yes - Explain below

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C. Do you or any Family Member provide directive, managerial, consultative or other services to or on behalf of any other Company that does or may do business with, or that competes with, the services of the Society?

No  Yes - Explain below

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D. Do you or any Family Member employ or otherwise retain any Society personnel for work on non-Society business done outside of the Society?

No  Yes - Explain below

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E. Have you or any Family Member used Society property to conduct business that is not Society business, without prior approval of an executive of the Society?

No  Yes - Explain below

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F. If you are employed by the Society, have you or any Family Member accepted assignments outside of the Society, either as an employee or as an independent contractor, over and above your primary or full-time assignment with any Society?

( ) No ( ) Yes - Explain below

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G. Do you or any Family Member hold an elected or appointed office or other position of public responsibility that serves residents in the Society's service area?

( ) No ( ) Yes - Explain below

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H. Have you or any Family Member been a party to any action, suit or proceeding during the past five years that might be deemed material to evaluating your ability, your integrity or your interests with respect to the Society?

( ) No ( ) Yes - Explain below

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I. Do you or any Family Member know of any recent or pending actions, suit or proceeding in which you have an interest adverse to the interests of, or are a party adverse to any interests of the Society?

( ) No ( ) Yes - Explain below

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### **III. INSIDE ACTIVITIES**

A. In your area of direct responsibility within the Society, do you employ or otherwise retain any Family Member or other individual with whom you have a business or personal relationship? Have you or any Family Member attempted to influence the Society concerning the employment or retention of any immediate family member or other individual with whom you have a business or personal relationship?

( ) No ( ) Yes - Explain below

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B. **Attached to this form is a complete list of the directors, officers, key employees and significant service providers for the Society.** We need certain additional information to complete the annual Form 990 tax return for the Society. We are required to ask each person or entity on the attached list the following questions:

i. **Is any person on the list a Family Member?**

If yes, please specify name and relationship: \_\_\_\_\_

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ii. **Are you an employee of any person or entity on the list?**

If yes, please specify employer(s): \_\_\_\_\_

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iii. **Do you (PERSONALLY, and not through any business interests) have a written contract with any person or entity on the list?**

If yes, please specify name and relationship: \_\_\_\_\_

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iv. **Do you (PERSONALLY, and not through any business interests), together with any person or persons on the list, have more than a 35% ownership interest in any corporation, partnership or trust?**

If yes, please specify name and relationship: \_\_\_\_\_

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#### **IV. GIFTS, GRATUITIES AND ENTERTAINMENT**

A. Have you or any Family Member accepted gifts, entertainment, benefits, discounts or other favors from any outside entity that does, or is seeking to do, business with, or is a competitor of, the Society, under circumstances from which someone might think that such action was intended to influence or possibly would influence you in the performance of your duties on behalf of the Society? This does not prohibit the acceptance of reasonable entertainment by suppliers or prospective suppliers or items of nominal value that are clearly tokens of respect or friendship and not related to any particular transaction or activity when the value of such entertainment or items does not exceed One Hundred Dollars (\$100.00).

( ) No ( ) Yes - Explain below

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B. Have you or any Family Member accepted any gifts, honoraria, perquisites, favors or benefits valued in excess of One Hundred Dollars (\$100.00) from customers, suppliers or agents of the Society?

( ) No ( ) Yes - Explain below

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**V. OTHER**

In the space below, please disclose any other interest, activities, investments or involvement that you think might be relevant for full disclosure of all actual, apparent or possible conflicts of interest. If none, indicate "none." [Use **additional pages as necessary.**]

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**VI. AFFIRMATION**

I hereby state that:

- (i) I have received a copy of the Society's Conflict of Interest Policy,
- (ii) I have read and understand the Policy,
- (iii) I agree to comply with the Policy,
- (iv) I understand that Pennsylvania Railroad Technical & Historical Society is a non-profit tax exempt charitable organization and that, to maintain its federal tax-exempt status, it must engage primarily in activities that accomplish one or more of their tax-exempt purposes,
- (v) I agree to report to the appropriate person (1) any change in the responses to each of the foregoing questions that may result from changes in circumstances or (2) any further financial interest, situation, activity, interest or conduct that may develop before completion of my next annual Questionnaire, and
- (vi) The information contained in this Questionnaire is true and accurate to the best of my knowledge and belief as of the date below.

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

## PRRT&HS 2010 List of Directors, Officers and Vendors

### Directors and Officers

Rich Ader  
Christopher T. Baer  
**Charles Blardone, Jr. – D**  
**Alan B. Buchan – D**  
**John J. Consoli – D**  
**Ivan E. Frantz, Jr. – D**  
Fred Freitas  
Timothy A. Garner  
Don Harper, Jr.  
Andrew J. Hart  
John Romig  
Frederic V. Shaefer  
**Bruce F. Smith – D**  
**Edward Swain - D**  
James G. Trope, Esq.  
Stan Trzoniec  
**Ralph M. Weischedel – D**

### **D – Director**

### Non-Official with Purchasing Authority

Charles E. Horan  
Robert L. Johnson  
Margaret Stanley

### Vendors

Blumenthal & Palmer, PC  
CA Weber Agency Inc/Millers Capital Insurance Co.  
Philadelphia Insurance Companies  
Granville Township Water and Sewer (Sewer)  
The Municipal Authority of the Borough of Lewistown (Water)  
Park's Garbage Service, Inc.  
Lee Mackneer  
Penelec  
Verizon  
Central PA Fire Equipment  
Central Penn Gas  
Paetec  
E-onlinedata  
The Kutztown Publishing Co, Inc.  
Gail Gottlund Design  
Chuck Blardone Graphics  
First Niagara Bank  
National Penn Bank  
The Mutual Beneficial Association  
ULINE  
UPS  
Vigilant Security, Inc

# **PRRT&HS Whistle Blower Policy**

## **I. General**

The Pennsylvania Railroad Technical & Historical Society (Society's) Code of Ethics and Conduct ("Code") requires directors, officers and staff members to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. An "affiliate" is a person who works with the PRRT&HS in a capacity other than as a director or officer as a volunteer or otherwise. As representatives of the Society, all parties must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

## **II. Reporting Responsibility**

It is the responsibility of all directors, officers, staff members and affiliates to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

## **III. No Retaliation**

No director, officer, staff member or affiliate who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. A director or officer who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including removal from office. This Whistleblower Policy is intended to encourage and enable the Society's directors, officers, affiliates and others to raise serious concerns within the Society prior to seeking resolution outside the Society.

## **IV. Reporting Violations**

The Society has an open door policy and suggests that parties share their questions, concerns, suggestions or complaints with someone who can address them properly. In this case, a director or officer is in the best position to address an area of concern. For suspected fraud, or when you are not satisfied or uncomfortable with following the Society's open door policy, individuals should contact the Society's General Counsel directly who is designated as the Compliance Officer by this Policy.

## **V. Compliance Officer**

The Society's Compliance Officer or his designee is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the President and/or the Board of Directors.

## **VI. Acting in Good Faith**

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 of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious offense.

## **VII. Confidentiality**

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## **VIII. Handling of Reported Violations**

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 corrective action will be taken if warranted by the investigation.



# PRRT&HS Document Retention and Destruction Policy

## I. Purpose

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by PRRT&HS in connection with the transaction of Society business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate PRRT&HS' operations by promoting efficiency and freeing up valuable storage space.

## II. Document Retention

PRRT&HS follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

### a. Corporate Records

Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years

### b. Accounting and Corporate Tax Records

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
IRS Form 990 Tax Returns	Permanent
IRS Form 1023 and exemption letter	Permanent
General Ledgers	7 years - Permanent
Business Expense Records	7 years
IRS Forms 1099	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records (Keystone, books, CD's etc)	5 years
Petty Cash Vouchers	3 years
Cash Receipts	3 years

**c. Bank Records**

Check Registers	7 years - Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years

**d. Donor and Grant Records**

Donor Records and Acknowledgment Letters	7 years
Grant Applications and Contracts	7 years after completion

**e. Legal, Insurance, and Safety Records**

Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Insurance Policies	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination

**III. Electronic Documents and Records**

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.

**IV. Emergency Planning**

PRRT&HS’ records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping PRRT&HS operating in an emergency will be duplicated as required and maintained off-site.

**V. Document Destruction**

PRRT&HS’ Secretary and Treasurer are responsible for the ongoing process of identifying Society records, which have met the required retention period, and overseeing their destruction. Destruction of financial documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

**VI. Compliance**

Failure on the part of the responsible PRRT&HS official to follow this policy can result in possible civil and criminal sanctions against PRRT&HS and possible disciplinary action against responsible individuals. The Board of Directors will periodically review these procedures with the General Counsel or the organization’s certified public accountant to ensure that they are in compliance with new or revised regulations.

## STATEMENT OF POLICY

### Election of Directors at the Annual Membership Meeting

In order to encourage greater input from the members in the nominating process for Board of Directors positions to be elected at the Annual Membership Meeting, the Board of Directors has adopted the following Policy to afford more participation by the Membership:

1. The Board of Directors ("Board") reserves the right to fill a vacancy during a Director's term (all terms are for three years unless a shorter period is stated) due to death, incapacity, removal or resignation. This includes the right to create new Directorships and fill them temporarily, or to contract the Board as the result of a vacancy. The minimum number of Directors required by law is five.
2. The Board still retains authority to nominate or renominate candidates for Directorships (only one such per Directorship) to be filled at the next Annual Membership Meeting.
3. In addition to No. 2 above, the Membership is invited to submit nominations for one Directorship candidate to run at the Annual Meeting in addition to those Directorship candidates selected by the Board.
4. Each Society member may submit in writing one proposed candidate for possible Directorship nomination along with the candidate's written consent. Such potential candidate for nomination must have the necessary Director qualifications (See No. 9 below) which must be set forth in the letter or petition for candidacy for nomination. In addition the candidate must submit simultaneously a written summary of why he or she wishes to serve as a Director. Further all such candidates must have at least 10 member sponsors or proponents to support such candidacy. Such sponsors or proponents must sign the nominating petition or attach separate support letters.
5. Once the written documentation as required in No. 4 above has been completed, it should be sent on or before September 1, to the President of the Society.

6. The Committee will consider the various candidates' petitions and will select from among them the Membership's nominee for Directorship whose name will be placed on the Proxy -Ballot along with the Board's nominees. All nominees will be listed alphabetically on the Proxy-Ballot.
7. All nominees (Board's and Membership's) will be contacted by early December and will be requested to submit a short Biographical Summary and Statement about his/her candidacy - same not to be more than five or six sentences and subject to being edited for space if necessary.
8. The Proxy-Ballot and Biographical Summary will be prepared for mailing with the Spring issue of The Keystone.
9. Director Qualifications  
To ensure quality Directors for the Society, the following minimum standards must be met beforehand for a member to be nominated by the Board or Membership for a Directorship position:
  - Three year minimum consecutive membership in good standing.
  - minimum age of 25 years.
  - must have demonstrated prior service to, dedication to or support of the Society in one or more capacities, e.g. prior or present Director or Officer of Society, major author or contributor to publications or projects, Chapter duties or involvement, etc.
  - must be willing to attend Board Meetings -at least two per year.
  - must be willing to work for and support The Society and its goals and objectives.
10. In the event that any of the foregoing procedures are found to be impractical, the Board reserves the right to revoke, alter or amend same in whole or in part.

## PRRT&HS Gifts and Donations Policy

1. Solicitation - Under no circumstances will any member of the Society directly solicit monetary or material gifts or donations from any individual, organization or company without prior approval of the Board of Directors.
2. Receipt of Gifts – Notwithstanding the fact that gifts shall not be solicited; an organization or company may, at their own discretion, send a monetary or material gift or donation to the Society or to a member of the Society. The purpose of this policy is to outline how such gifts shall be acknowledged and handled.
  - a. Monetary Gifts – Any monetary gifts sent to a member or members of the Society by an individual, organization or company for work performed while acting as an official representative of the Society, such as on a Modeling Committee Project Team, shall be turned over to the Treasurer of the Society for deposit. Any monetary gifts sent to the Society shall be turned over to the Treasurer of the Society for deposit. The receipt of such gifts will be acknowledged by the Society. However, this does not preclude members of the Society from acting as independent consultants, without affiliation with the Society, to individuals, organizations or companies for which work it is expected that they would be paid.
  - b. Material Gifts – Because of the multiple possibilities under which material gifts may be received a more definitive policy is outlined below.
    - 1) Manufacturer sends the Society a RTR model, shake-the-box kit, or a kit that doesn't get built, specifically for review in *The Keystone Modeler (TKM)* – Upon completion of the review the item should be sent to the Society's *TKM* Editor for subsequent raffle during the next annual meeting. Exception – if a review of the item requires significant research by the reviewer (i.e. information not readily available) the reviewer may be permitted by the Editor to keep the model. Likewise, any item received for review in *TKM* and not reviewed shall be forwarded to the Society for raffle or other disposition.
    - 2) Manufacturer sends the Society a model kit (craftsman type) specifically for review in *TKM* that requires significant construction – Upon completion of the review the model may be kept by the person who built it. Likewise, any such item received for review in *TKM* and not reviewed shall be forwarded to the Society for raffle or other disposition.
    - 3) Manufacturer sends a model or models as a thank you for minimal Society input (i.e. providing drawings and other data but no interactive participation during the design phase) – Model(s) shall be forwarded to the Society for raffle purposes.
    - 4) Manufacturer sends a model or models as a thank you for a Modeling Committee project team's interactive participation with the manufacturer, but the number received is less than half the number of active project team members – Model(s) shall be forwarded to the Society for raffle purposes.
    - 5) Manufacturer sends a "thank you model or models" to each member of a project team for their interactive participation with the manufacturer – Models may be kept by the individual recipients. Only active project team members shall be eligible to receive such models. "Active" in Items 4 and 5 means participating in at least some of the project team's deliberations on that particular project. If there are not enough models to provide one per active project team member, the active team members should be made aware of the shortage and asked whether or not they want a model. If a shortage still exists, a lottery shall be conducted by a Modeling Committee member, who is not eligible to receive one of the models, to determine their distribution. If an excess of models exists after equal distribution among the active project team members, the excess should be forwarded to the Society for raffle purposes.
    - 6) The receipt of all material gifts will be acknowledged by the Society, individual, or Modeling Committee Project team receiving it as appropriate.
3. Any questions regarding this policy, its interpretation, or its application shall be referred to the Board of Directors of the Society.

## **PRRT&HS Use of Society's Name by Manufacturers Policy**

### **Statement of Policy**

No manufacturer, supplier or distributor of model railroad or other products, artifacts, memorabilia, magazines, books, etc. shall use the copyright protected name "Pennsylvania Railroad Technical & Historical Society" or the copyright protected acronym "PRRT&HS" in their advertisements or catalogs (written or online), which might lead any reader of those advertisements to assume that the Society had participated in either the planning, development or approval of the item unless approval of the Society's Board of Directors, as recommended by the Society's Modeling Committee had been requested and granted in writing.

### **Qualifying Guidelines for Granting Approval**

The Board might grant approval for such use in situations where the company worked closely with the Society's Modeling Committee, and the Modeling Committee concurs with such usage. For example if a manufacturer wishes to say that the Society is being consulted on the design that would be allowable even prior to the production of the model, but ONLY if the consultation is through the Modeling Committee. This should encourage manufacturers to use the committee, and allows the Society to say that ultimately, the decisions about the model were the manufacturers, not ours.

Other possible scenarios, which would be reviewed on a case by case basis, may include:

1. Modeling Committee had supplied information, but had no further input. This has happened on occasion with mixed results. The Society prefers that in addition to supplying information the manufacturer continues to work with the specific product development team of the Modeling Committee.
2. Manufacturer purchased drawings from Society, but with no additional input from the Modeling Committee. This has also happened with mixed results. It is most likely that approval would not be granted in this case, but there may be situations where extenuating and mitigating circumstances permit use.
3. An individual Society member (or members) provided information and/or worked closely with the manufacturer, but not through the Modeling Committee. It is most likely that approval would not be granted in this case, but again there may be situations where extenuating and mitigating circumstances permit use.

## **PRRT&HS Letters Addressed to the Board of Directors Policy**

Letters addressed to the Society may, at the discretion of the Board of Directors, be introduced to the membership, either by printing said letter in *The Keystone*, much like a “Letter to the Editor” or it may be presented, in whole or in part to the membership during the Business Meeting at our Annual Meeting.

Such letters may, again at the discretion of the Board, be handled in a discreet manor completely off-line from the membership, as a whole.

In any situation wherein the membership is advised of the content of such a letter to the Society, the author of such letter shall be identified to the membership at the time and in the same manner as the disclosure of the content of such letter. There shall be no exceptions to this policy.