

Grand Lodge Free and Accepted Masons of Wisconsin

M.W. Craig S. Campbell
Grand Master 2009-2010
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21 December 2009

GRAND MASTER'S DECISION To be read at the next stated communication of your lodge

WHEREAS: The proper management of the Grand Lodge F.&A.M. of WI financial activities is an essential part of a smooth functioning organization, and

WHEREAS: In 2002, the Sarbanes-Oxley legislation came into force and introduced major changes to the regulation of financial practice and corporate governance, and

WHEREAS: The Grand Lodge F&AM of WI files a consolidated 990 Tax Return on behalf of all Constituent lodges and must now declare we have specific policies in place to comply with Senate bill (S. 2673) and House bill (H.R. 3763), otherwise known as "the Sarbanes-Oxley Act of 2002;"

IT IS THEREFORE, my Decision that:

The Grand Lodge F.&A.M. of WI and all Constituent lodges will have the enclosed procedures in place by January 29th, 2010 and report the same to the Grand Lodge on the enclosed addendum with their annual Financial Statement. Further, the Grand Lodge F.&A.M. of WI will institute and manage the same policies and paperwork at the Grand Lodge level.

Given under my hand this 18th day of December 2009.

M.W.: Craig S. Campbell
Grand Master of Masons in Wisconsin

Attest:

Michael A. DeWolf, PGM
Grand Secretary

Grand Lodge Free and Accepted Masons of Wisconsin



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18 December 2009

TO: The Worshipful Masters, Secretaries, Trustees and Committee Members of all WI Constituent Lodges

FM: Craig S. Campbell – Grand Master
Michael A. DeWolf, PGM – Grand Secretary

Subject: Sarbanes-Oxley Legislation and required documentation.

The proper management of The Grand Lodge of WI and its various Constituent Lodges is an essential part in the smooth functioning of any organization. While most members do not take an active role in the financial operations of the organization, each Officer and Trustee must remember that every member is a "stockholder in the company". While members may elect officers and trustees to act on their behalf, those so elected should be ever mindful that they are acting on behalf of others and not for themselves alone. The frequent disclosure of complete and correct financial information will prevent the suspicion and doubt created by incomplete, incorrect, or delayed disclosure. Financial irregularities and misappropriation frequently result when apathy on the part of the members and elected officials is present.

In 2002, the Sarbanes-Oxley legislation came into force and introduced major changes to the regulation of financial practice and corporate governance. In short, it is the public company accounting reform and investor protection act. It was passed in response to high-profile business failures, such as Enron and WorldCom, in order to reinforce investment confidence and protect investors by improving the accuracy and reliability of corporate disclosure. While nearly all of the provisions of the Act apply only to publicly traded corporations, the passage of the bill has served as a wake-up call to the entire nonprofit community. Indeed, several state legislatures have already passed or are considering legislation containing elements of the Sarbanes-Oxley Act to be applied to nonprofit organizations. The Grand Lodge of WI F&AM has adopted the attached policies and altered governance practices in response to the Act. As a Constituent Lodge you are directed to also comply. The combined group 990 tax return now asks if these policies are in place.

As a Lodge Officer, Employee, Trustee or Board or Committee member it is your responsibility to read and understand these policies and to complete the enclosed "*Conflict of Interest Disclosure Form*". This form should be returned to your Lodge Secretary who will keep it on file no later than January 29th, 2010.

GRAND LODGE F&AM OF WI
Code of Ethics Policy
Adopted 10 December 2009

The Grand Lodge F&AM of WI Code of Ethics; Conflict of Interest, Records Retention and Whistleblower policies directly reflect the high standards of the Wisconsin Freemasonry. They require all to observe the very highest of standards of business and personal ethics in the conduct of their duties and responsibilities within the organization. As Officers, board members, employees and volunteers of the Grand Lodge of WI and its Constituent Lodges, everyone must practice complete honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

Code of Ethics

In all activities, Officers of the Grand Lodge of WI, employees and volunteers of Grand Lodge and its Constituent Lodges as well as those that represent any aspect of WI Freemasonry must act with integrity and in accordance with the most stringent ethical principles as well as the highest standards of objectivity

Office Volunteer participation especially within a Grand Lodge or Lodge is a strong and vital tradition. Staff should be supportive of volunteers, receive them as fellow workers, and provide appropriate training and opportunity for their intellectual enrichment. It should be noted, however, the lack of material compensation in no way frees the volunteer from adherence to standards that apply.

Grand Lodge and Constituent Lodge employees, and volunteers must avoid situations in which personal interests might be served or financial benefits gained at the expense of the organization or its members. Conflict of interest restrictions, where relevant, must also be observed by volunteers and information unavailable to the public held confidential.

Grand Lodge and Constituent Lodge employees, and volunteers must avoid the appearance of unethical or compromising practice in relationships with suppliers, contractors and other businesses. All are prohibited from soliciting or accepting money, loans, credits, discounts, favors, entertainment, meals, lodging, and trips from present or potential suppliers and businesses, which might influence negotiations and purchasing decisions.

With regard to gifts given to an individual from an outside organization, all gifts should be accepted only for the Organization; however, a donor may genuinely wish to give a gift directly to a individual. When a close personal relationship exists in addition to a professional one, the employee may accept the gift, but must submit a record of the transaction to his/her supervisor. In all matters relating to management practices, volunteer opportunity, and relationship with the public at large, decisions must not be made on the basis of discriminatory factors (race, color, creed, sex, age, handicap, or personal orientation).

Grand Lodge F&AM of WI Whistleblower Protection Policy

The Sarbanes-Oxley Act provides protections for whistleblowers and imposes penalties for actions taken in retaliation against any employee or volunteer who report suspected illegal activities of the organization.

No Grand Lodge or Constituent Lodge employee, director officer or volunteer who, in good faith, reports a violation of a policy shall suffer harassment, retaliation or adverse employment consequence(s). An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the applicable organization prior to seeking resolution outside the organization.

It is the organization's intent to adhere to all applicable laws and regulations and the underlying purpose of this Policy is to support the organization's goal of legal compliance. The support of all employees is necessary to achieving compliance with various laws and regulations. An employee is protected from retaliation only if the employee reports the concern, as outlined herein, and provides the organization a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described herein is only available to employees that comply with this requirement. The organization will not retaliate against an employee who, in good faith, has made a protest or raised a complaint against some practice on the basis of a reasonable belief that the practice is in violation of law. The organization will not retaliate against an employee who discloses or threatens to disclose any activity, policy, or practice that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate or public policy concerning health, safety, welfare, or protection of the environment.

This policy has been adopted by the Executive Committee of the Grand Lodge F&AM of WI, on December 10th, 2009.

GRAND LODGE F&AM OF WI
Document Retention and Destruction Policy

Lodge, No:

Adopted December 10th, 2009

The Sarbanes-Oxley Act is a federal law enacted in 2002 in response to the corporate and accounting scandals of Enron, Tyco and others. Under this Act it is a federal crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. While nearly all of the provisions of the Act apply to publicly traded corporations, two provisions of the Sarbanes-Oxley Act apply to all entities, including nonprofit organizations. The provisions are **Whistleblower Protection** covered in a previous document and **Document Retention and Destruction**.

The records of this organization should be managed in an effective manner. While not all records must be maintained indefinitely, guidelines must be established to properly manage the records of the organization. Records should only be destroyed when they are no longer required as a matter of law, applicable governmental regulation or as a matter of good management. Officers, members and employees must never destroy records in anticipation of any litigation or regulatory investigation.

The following table provides the Grand Lodge of WI minimum requirements for retention of records.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports, financial statements	Permanently
Bank reconciliations and bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	3 years
Correspondence (legal and important matters)	Permanently
Correspondence (with members and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate Deposit Slips	2 years
Employment applications	3 years
Expense Analysis/expense distribution schedules	7 years
Year-end financial statements	Permanently
Grants (Funded)	3 years
Grants (Unfunded)	3 years
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal Audit reports	3 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

**Grand Lodge F&AM of WI
Constituent Lodge
Conflict of Interest Policy
Adopted December 10th, 2009**

The purpose of the conflict of interest policy is to protect the interests of _____ Lodge No. _____ of the Grand Lodge F&AM of Wisconsin (hereinafter, "Lodge") This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit Lodges.

With respect to any proposed financial transaction, every officer, trustee, employee or member of a committee responsible for such transaction must avoid any conflict of interest. A potential conflict of interest can arise when an officer, trustee or committee member, or members of their families, has a financial interest in the transaction or in any entity with which the Lodge is considering a transaction. In order to avoid any conflict of interest, the existence (omitting the details) of such financial interest must be disclosed to the other officers, Trustees or Committee members present and the person must, after discussion of the transaction, remove himself from the meeting and refrain from voting on the transaction in question.

Annually, each officer, trustee or committee member must disclose to the Lodge's Worshipful Master any financial interests that could give rise to conflicts of interest. Each year, the Lodge's Worshipful Master shall affirm in writing to the Grand Secretary that all disclosures have been made and shall also disclose any financial interests that he, the Worshipful Master, may have that could give rise to conflicts of interest.

Definition:

A person has a 'conflict of interest' if the appropriate governing board decides that the person's obligations to the Lodge are or may be materially limited by the person's financial interest or influence in a matter before the governing board or committee.

A person has a "financial interest" if the person has, *directly or indirectly*, through business, investment, or family, an ownership or investment interest in any entity with which the Lodge has and/or may have a transaction or arrangement, and/or a compensation arrangement with the Lodge or with any entity or individual with which the Lodge has a transaction or arrangement, and/or a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Lodge is negotiating a transaction or arrangement. A financial interest is not necessarily a conflict of interest. An individual who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Implementation:

Effective implementation of this policy requires: first the full disclosure of individual interests that might conflict with the best interests of the Lodge; second, that "interested persons" and other representatives must refrain from participating in Lodge decision making with respect to any transaction or relationship in which he or she is interested, and finally, an independent

determination must be made that the transaction or relationship meets the applicable standard and should be entered into or continued.

In connection with any actual or possible conflict of interest, an "interested person" must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

The following guidelines are provided to interested persons, and other representatives to determine whether a relationship should be disclosed:

A business or financial relationship includes the sale or acquisition of goods, property, or services; the commitment of resources to a common venture; or, in the case of a member of one's immediate family, an employment relationship.

A significant interest in another entity includes service as a trustee, director, partner, or management-level employee; the actual or beneficial ownership of more than 10% of the entity; or a compensation arrangement that is dependent upon a business or financial relationship with the Lodge.

Interested persons and other representatives who have disclosed a potential conflict of interest shall refrain from participating in the Lodge's consideration of any proposed business or financial relationship in which he or she is interested, except to respond to questions or to provide further information. An interested person may make a presentation at the review committee 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. The chairperson of the review committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the review committee shall determine whether the Lodge can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the review committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Lodge's best interest, for its own benefit, and whether it is fair and reasonable.

The minutes of the governing board and all committees with board delegated powers shall contain the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

A voting member of the governing board who receives compensation, directly or indirectly, from the Lodge for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Lodge for services is precluded from voting on matters pertaining to that member's compensation.

Grand Lodge F&AM of WI
Conflict of Interest Disclosure Form (Constituent Lodge)

Applicability: Elected & Appointed Lodge Officers, Board Members, Lodge Trustees and Lodge Appointed Committee Members, Lodge Employees.

No one from the above list shall influence or derive any personal profit or gain, directly or indirectly, by reason of his/her position with _____ Lodge No:_____ of the Grand Lodge F&AM of WI without proper disclosure to and under the unanimous authority of the Worshipful Master.

Each individual shall disclose to the organization any personal interest, which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter. Any of the above named who is an officer, board member, committee member, or staff member of a client organization or vendor of _____ Lodge No:_____ of the Grand Lodge F&AM of WI shall identify his or her affiliation with such agency or agencies; further, in connection with any committee or board action specifically directed to that agency, he shall not participate in the decision affecting that agency and the decision must be made and/or ratified by a unanimous approval of the Worshipful Master and his Executive Committee.

At this time, I am an officer, board member, trustee, committee member, or an employee of the following organizations:

I certify, except as described below, that I am not now nor at any time during the past year have been:

- 1) A participant, directly or indirectly, in any arrangement, agreement, investment or other activity with any vendor, supplier, or other party doing business with _____ Lodge No:_____ of the Grand Lodge F&AM of WI which has resulted or could result in personal benefit to me.
- 2) A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free services or discounts or other fees from or on behalf of any person or organization engaged in any transactions with _____ Lodge No:_____ of the Grand Lodge F&AM of WI.

Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest whether direct or indirect, which I have (or have had during the past year) in the person or organizations having transactions with _____ Lodge No:_____ of the Grand Lodge F&AM of WI.

Date: _____ Signature: _____

Name Printed: _____