



NARFE
FEDERAL BENEFITS EXPERTS

NARFE Policy Manual

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1.00 NARFE Core Statements

1.01 Definitions Used in this Document

Association	National Active and Retired Federal Employees Association
Board	National Executive Board (NEB)
Compensation	Includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.
Financial interest	A person has a financial interest, if a person has directly or indirectly, through business investment or family: <ul style="list-style-type: none"> A. An ownership or investment interest in any entity with which NARFE engages in a transaction or arrangement; B. A compensation arrangement with NARFE or with any entity or individual with which NARFE engages in a transaction or arrangement; or C. A potential ownership or investment interest in, or NARFE compensation arrangement with, any entity or individual with which is negotiating a transaction or arrangement.
Interested person	Any director, officer, member of a committee, or employee what has a direct or indirect financial interest.
Officials	Any elected or appointed officers of a chapter, federation, or regional and national officers
Private advantage, benefit, gain	Any personal advantage, benefit, or economic gain distinct from that enjoyed by members of the public without regard to official status or not resulting from lawful and proper performance of duties.

1.02 Code of Ethics and Conduct

Preamble

The proper operation of this Association requires that all elected and appointed officials be fair impartial and responsible to the members, and that members have confidence in the integrity of the association.

Improper Use of Official Position

No Association official shall use his/her position or the power or authority of his/her office or position in any manner intended to induce or coerce any person to provide, directly or indirectly, anything of value which shall accrue to the private advantage, benefit or economic gain of the official or any other person.

No official shall engage in any enterprise or activity which could result in the following:

1. Using the prestige/influence of his/her office for private gain or advantage to himself/herself or another.
2. Using facilities, equipment or supplies of NARFE for personal gain or advantage for himself/herself or another.
3. Using official information not available to the general public for his/her private gain or advantage or that of another.
4. Receiving or accepting, directly or indirectly, any gift or favor from anyone doing business with NARFE under circumstances from which it reasonably could be inferred that such was intended to influence him/her in the performance of his/her official duties, or as a reward for official action.

Code of Ethics Supplements Existing Law

This code is intended as an addition to and supplement of federal, state, and local laws relating to the subject matter addressed herein. No provision in this code of ethics shall be construed to weaken or reduce other standards of official conduct, specific or implied, contained in the association's bylaws.

1.03 Conflict of Interest

National Active and Retired Federal Employees Association, a nonprofit membership organization organized under the laws of the District of Columbia, believes the trust and confidence of its members and other supporters depend on its continuing to maintain the highest standards of ethical and lawful conduct. Accordingly, NARFE requires that all individuals involved with its mission comport themselves to avoid even the appearance of conflict between their personal interests and those of NARFE. This conflict of interest policy is designed to protect NARFE's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a NARFE officer, director, or employee.

1.03.1 Duty of Loyalty and General Requirements

1. The Law: Conflict-of-Interest statutes are contained in the Nonprofit Corporation Act of 2010 of the District of Columbia and focus primarily on the duty of loyalty of members of the NEB (the "board" and each member a "director"). This conflict of interest policy supplements such applicable law.
2. Basis of Decisions: All institutional decisions are to be made solely to promote the best interests of NARFE without favor or preference based on personal considerations, and to provide the highest ethical conduct. Accordingly, with respect to their personal economic interests, NARFE's officers, directors, and employees may not:
 - A. Participate actively and aggressively as advocates in their own behalf (or on behalf of other corporations in which they have a personal interest), either formally at board or committee meetings or informally through private contact, communication, and discussion;
or

- B. Obtain for themselves, their relatives, or their friends a material benefit of any kind from their association with NARFE, or from the knowledge gained therefrom.

1.03.2 Disclosures

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the board and/or members of the NARFE audit committee, if applicable, considering the proposed transaction or arrangement.
2. **Disclosure Procedures:** Disclosure may be made through delivery of a completed disclosure form substantially in a form designed for this purpose or any other reasonable, written means. In addition, disclosure may be made orally, directly to the board or its committee (including the audit committee, if applicable).
3. **Determining Whether a Conflict of Interest Exists:** With respect to the disclosed financial interest:
 - A. The National President shall, if reasonably appropriate, appoint a disinterested person or committee (which shall be the audit committee, as applicable) to investigate alternatives to the proposed transaction or arrangement.
 - B. After exercising due diligence, the board or committee shall determine whether NARFE can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
 - C. If such a more advantageous transaction or arrangement is not reasonably attainable, the board or committee shall determine by a majority vote of disinterested directors whether the transaction or arrangement is in NARFE's best interest and for its own benefit and whether the transaction is fair and reasonable to NARFE and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
 - D. The interested person shall not otherwise be present or involved in the above-contemplated board or committee deliberation or votes.
4. **Violation of Conflict of Interest Policy.**
 - A. If the board or a committee has reasonable cause to believe that a NARFE director, officer, or employee has failed to disclose an actual or possible conflict of interest, it shall inform the person of the basis of such belief and afford the person an opportunity to explain the alleged failure to disclose.
 - B. If, after hearing the response and making such further investigation as may be reasonably warranted in the circumstances, the board or committee determines that the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action as is needed in the circumstances.

1.03.3 Records of Proceedings

The minutes of the board and all committees shall contain the following information:

1. 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;
2. The nature of the financial interest;
3. Any action taken to determine whether a conflict of interest was present;
4. The board's or committee's decision as to whether a conflict of interest existed;
5. The names of the persons who were present for discussions and votes relating to the transaction or arrangement;
6. The content of the discussion, including any alternative to the proposed transaction or arrangement; and
7. A record of any votes taken in connection with the matter.

1.03.4 Confidential Correspondence

Confidential correspondence includes the following: Subject Line to include:

CONFIDENTIAL INFORMATION INCLUDED – DO NOT DISCLOSE

At the bottom of the correspondence, should have this Confidentiality Statement

CONFIDENTIALITY NOTICE: The information contained in this e-mail message and any attachments may be privileged, confidential and protected from disclosure. If you are not the intended recipient, any use, disclosure, dissemination, distribution or copying of any portion of this message or any attachment is strictly prohibited. If you think you have received this e-mail message in error, please notify the sender at the above e-mail address, and delete this e-mail along with any attachments. Thank you.

Attachment: Attachments or hard copies shall bear a “Confidential” Watermark, if possible

1.03.5 Periodic Reviews

To ensure that NARFE operates in a manner consistent with its nonprofit purposes and that it does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted to include the following subjects:

1. Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining;
2. Whether any arrangements with outside service corporations conform to written policies, are properly recorded, reflect

reasonable payments for goods and services, further NARFE's nonprofit purposes and do not result in impermissible private benefit; and

3. Whether agreements with other corporations or employees further NARFE's nonprofit purposes and do not result in impermissible private benefit.

1.03.6 Annual Statements

Each NARFE officer and director shall annually (and prior to taking office as an officer or a director, as applicable) sign and file with the NARFE National Secretary/Treasurer a statement which affirms that such person:

1. Has received a copy of the conflict of interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands that NARFE is a nonprofit organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.
5. By participating as a NARFE officer or director, will not be in conflict with any other conflict of interest requirements, including, without limitation, those arising from federal, state, local and professional licensing board (e.g., state attorney bars and medical boards) policies, laws, or ethics codes, applicable to such person.

The National Secretary/Treasurer shall provide such completed forms to the board and, as applicable, a committee of the board (including, without limitation, an audit committee). Such forms shall be kept in the headquarters office.

1.04 Transparency Policy

NEB Members serve the interest of NARFE members and, in most circumstances, they are encouraged to serve as ambassadors for the NEB and NARFE in their communications with Association members.

NEB Members will honor the confidentiality of all NEB meetings held in executive session to:

- Discuss personnel matters;
- Consult with or hear reports from NARFE's legal counsel;
- Meet with auditors; and
- Discuss other matters of a confidential nature such as potential new initiatives, strategic plans which could impact personnel, and proprietary business planning.

1.05 Whistleblower Policy

1. Application: This Whistleblower Protection Policy applies to all of the staff, whether full-time, part-time, or temporary employees, to all volunteers, to all who provide contract services, and to all officers and directors, of NARFE, a nonprofit membership organization organized under the laws of the District of Columbia, each of whom shall be entitled to protection.

2. Reporting Credible Information: A protected person shall be encouraged to

report information relating to illegal practices or violations of NARFE policies (a "violation") that such person in good faith has reasonable cause to believe is credible. Information shall be reported directly to the chair of the audit Committee, if such a committee exists, or, if not, to the National President, which/who shall be responsible to provide an alternative procedure. For purposes hereof, the person or committee to which the report is made shall be referred to as the "compliance officer". Anyone reporting a violation must act in good faith, and have reasonable grounds for believing that the information shared in the report indicates that a violation has occurred.

3. Investigating Information: The compliance officer shall promptly investigate, or cause to be investigated, each such report and prepare a written report to the NEB. In connection with such investigation, all persons entitled to protection shall provide the compliance officer with credible information. All actions of the compliance officer in receiving and investigating the report and additional information shall endeavor to protect the confidentiality of all persons entitled to protection.
4. Confidentiality: NARFE encourages anyone reporting a violation to identify himself or herself when making a report in order to facilitate the investigation of the violation. However, reports may be submitted anonymously by sending a verbal or written report to:

Gary Roundtree, Compliance Officer

Email: gcrmarines@gmail.com

Phone: 240-749-0014

Reports of violations or suspected violations will be kept confidential to the extent possible, with the understanding that confidentiality may not be maintained where identification is required by law or in order to enable NARFE or law enforcement to conduct an adequate investigation.

5. Protection from Retaliation: No person entitled to protection shall be subjected to retaliation, intimidation, harassment, or other adverse action for reporting information in accordance with this policy. Such person should immediately report the same as a violation of and in accordance with this policy.

Any individual within NARFE who retaliates against another individual who has reported a violation in good faith or who, in good faith, has cooperated in the investigation of a violation is subject to discipline, up to and including termination of volunteer status.

6. Availability and Implementation of Policy: This policy shall be made available to all affected constituencies. NARFE shall adopt procedures for implementation, which may include:
 - A. Documenting reported violations;
 - B. Working with legal counsel to decide whether the reported violation requires review by the compliance officer or should be directed to another person or department;
 - C. Keeping the NEB and the audit committee or other applicable committee(s)

- informed of the progress of the investigation;
- D. Interviewing employees and volunteers;
 - E. Requesting and reviewing relevant documents, and/or requesting that an auditor or legal counsel investigate the complaint; and
 - F. Preparing a written record of the reported violation and its disposition, to be retained for two years by the compliance officer, except that personnel records are kept at the headquarters office.

The procedures for implementation of this policy shall include a process for communicating with a complainant about the status of the complaint, to the extent that the complainant's identity is disclosed, and to the extent consistent with any privacy or confidentiality limitations.

1.06 Retirement Plan for all NEB Members

NEB members can contribute up to the maximum allowed by the IRS of their salary to the 401(K) plan. NARFE will make no contribution or match funds of voluntary contributions to the NARFE 401(K) Plan by NEB members.

2.00 Governing Documents

2.01 Amendment of this policy manual shall require a majority vote of the NEB members present at a properly called NEB meeting.

2.02 Document Retention

Paper and electronic documents that fall within Category A, B, C or D (below) should be transferred to and retained by the human resources, legal or administrative department as indicated. Copies of certain documents may be retained individually by appropriate staff members for historical or work reasons. No documents may ever be destroyed if litigation or government investigation involving such documents is anticipated.

A. Retain Permanently

- **Governing Documents**
Articles of incorporation, bylaws, other organizational documents, NEB and standing committee minutes and certification manuals.
- **Tax Documents**
Filed state and federal tax returns, tax exemption determination letter and related correspondence, except that all supporting information and documentation for federal and state returns, deductions, refunds, payroll, etc., shall be retained for 4 years.
- **Intellectual Property Documents**
Copyright and trademark registrations and samples of protected works, and exam items and related materials.
- **Financial Documents**
Audited financial statements.
- **Certain Member Data**
Basic information on members

- B. Retain for 10 Years
 - Certification Applications and Related Materials
- C. Retain for at least 6 Years
 - Pension (ERISA) Plan Participant/Beneficiary Records and Supporting Documents
 - Lobbying Disclosure Reports and Related Documentation
- D. Retain for 3 Years
 - Employee/Employment Information (retain for current/relevant employees and 3 years after employee separation/termination.)
Employee names, addresses, social security number, date 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/Family and Medical Leave Act.
 - Lease, insurance, and contract/license documents (retain during contract term and for 3 years after termination/expiration of contract.)
Software license agreements, vendor, hotel, and service contracts, independent contractor records, employment contracts, etc.
 - Correspondence files, past budgets, bank statements, publications, employee manuals/policies and procedures, survey information, etc. (not including electronic).
- E. Retain for 1 Year
 - Electronic documents (unless in category A, B, C or D).

3.00 Officers, National Executive Board (NEB)

- 3.01 Information related to NARFE will be made available expeditiously to any NEB member upon request to the executive director; confidential information must be so treated by the board member in accordance with the approved board confidentiality agreement.
- 3.02 In cases where an official legal notice (such as a subpoena) is served on NARFE or a national officer, the NEB shall be notified within 24 hours, and a copy is to be forwarded to the NEB within 72 hours.
- 3.03 Candidates for National Office (National President, National Secretary/Treasurer and Regional Vice President) may publish statements in NARFE Magazine and transmit them on the NES email system. The criteria are as follows:
 - Announcements will run one time in NARFE Magazine and twice on NES.
 - Statements must be in first person singular and make no reference to third party endorsements.
 - Announcements may not exceed 400 words for the magazine or NES.
 - Statements will not be edited or corrected for errors.
 - NES announcements are sent to all addresses; statements for RVP candidates will be sent to the candidate's region.
 - No third-party endorsements will be published in NARFE Magazine or on

NES.

- Specific technical requirements will be published in NARFE Magazine each election year.
- NEB member ads in national or federation conference programs or NARFE Magazine are non-reimbursable personal expenses.

3.04 The salaries of the officers and regional vice presidents shall be adjusted annually by the amount of the cost of living allowance (COLA) approved by law for retired federal employees and on the same effective date.

This section shall be struck November 1, 2022.

3.05 National Bylaws Article IV – OFFICERS, Section 1 Election and Term of Office, Part B Duties of Officers (“The secretary/treasurer shall serve as president when the president is UNAVAILABLE” – emphasis added) be interpreted as follows:

The national officers shall be considered “unavailable” when:

- 1) Hospitalized for any reason for more than three days;
- 2) Outside the country for other than NARFE business;
- 3) Unable to be present in the national office for any reason other than NARFE travel for more than three consecutive workdays;
- 4) Determined by a licensed physician to be unavailable for work;
- 5) Determined to be “unavailable” by an electronic vote of 2/3 of the RVPs; or
- 6) A national officer voluntarily declares him/herself “unavailable”.

If the national president is expected to be unavailable for a period in excess of 30 consecutive days and the secretary/treasurer is serving as president during this period, the NEB may elect any NEB member to serve as a temporary, non-resident “acting secretary/treasurer” while the elected secretary/treasurer is serving as president.

3.06 **Meetings**

3.06.1 All agenda items, whether for open session or executive session, that are submitted after the deadline will be placed at the end of the agenda on the last day as the last item on the NEB meeting agenda or executive session. If the items are not taken up at that meeting, they will be placed first on the next scheduled appropriate session on the NEB agenda.

3.06.2 NEB Meeting Minutes shall be posted on the NARFE website within 60 calendar days of the end of the NEB Meeting session.

4.00 Regions, Chapters, Members

4.01 **Statewide Chapter**

A federation president may establish a statewide chapter to ensure that members within the federation continue to receive NARFE service if a local chapter no longer provides them. If there are no volunteers from among the statewide chapter members, the federation president may detail a federation member to an officer position for a minimum of one year. If needed, this detail can be extended following

approval by the National Secretary/Treasurer. The persons so detailed will retain affiliation with and pay dues to their home chapters. However, when participating at chapter meetings and federation conferences, these officers are committed to carry out their assigned duties and the priorities of the statewide chapter.

- 4.02 A member may belong and pay dues to, multiple chapters; however, only one chapter will be designated as the “home chapter” for purposes of headquarters sending the member’s chapter dues. The home chapter designation may be changed by notifying National Headquarters of his or her choice in writing. All other chapter memberships will be designated as associate memberships, but the national headquarters will not collect associate members’ chapter dues.
- 4.03 Recruitments as a direct result of chapter or member efforts, are eligible for a rebate as authorized by the bylaws. The rebate shall be automatically sent to the chapter or recruiter of the new member.
- 4.04 The age used for the purposes of the life membership application shall be the applicant’s age at his or her most recent birthday.
- 4.05 The member’s anniversary date is the month and year monies were first withheld from the member’s annuity. Requests for cancellation, or reinstatement, of dues withholding must be in writing.
- 4.06 Records of members dropped for nonpayment of national dues will remain in the database. If the member rejoins, they are classified as a reinstated member, to be reassigned the same membership number they had at the time dropped and assigned a new expiration date twelve (12) months from the date the reinstatement is processed; chapters ARE NOT entitled to \$2.00 rebates from such dues.
- 4.07 There will be no refund of dues to annual paying members unless there are extenuating circumstances. Written appeals will be considered on a case-by-case basis by the National Secretary/Treasurer.
- 4.08 Members and applicants who pay multiple year dues in advance shall not be billed for any difference because of increases in dues after their applications (or renewals) are received.
- 4.09 Upon the death of a national life member, any unused portion of such membership shall remain in the life membership trust fund. No money will be rebated to an estate or to the surviving spouse. If not already a member, the spouse will be granted annual membership until the next anniversary date.
- 4.10 The unused dues of a deceased member (except life, dues withholding and honorary members) who paid on an annual basis will be transferred/refunded to the surviving spouse, regardless of whether the spouse is a member. A suitable adjustment to the expiration date will be made by the member records section.
- 4.11 NES Message Policy
Email messages shall be subject to the following:
 1. Emails to a full membership list at any level of the organization should follow the policy adopted by NARFE Magazine and *NARFE Insider*: All members may be sent emails related to legislation, advocacy and information of interest to federal

employees and retirees, but partisan political messages are never appropriate. Any emails related to the business of NARFE will go only to NARFE officers.

2. Information sent by Headquarters to all members should not be sent again to regional, federation or chapter lists.
3. The body of each email should include a “To” line, announcing the distribution list. (i.e. NARFE Officers, Federation Officers, NARFE Membership...) This will ensure that recipients are aware of the group that has already received the NES information.

4.12 The approved message types for NARFE’s email system are:

From headquarters

- Legislation / Advocacy (full list of email addresses)
- NARFE Magazine surveys (full list of email addresses)
- Headquarters messages to NARFE leaders (officer emails only)

From Regions, Federations and Chapters

- Advocacy call to action and information of interest to federal employees and retirees (full list of email addresses)
- Messages to regional, federation or chapter leaders (officer emails only)

NARFE headquarters will review each NES message to ensure adherence to this policy and make certain that the message itself provides adequate context to be easily understandable to all recipients. Each level of NARFE shall develop a similar quality control practice.

5.00 Committees

5.01 National Alzheimer’s Committee

The National President shall request a nominee from each of the regional vice presidents to serve on the National Alzheimer’s Committee, and will select the chair from among the members appointed. The appointees will serve two years, and may be reappointed with the concurrence of the respective regional vice presidents. The regional appointees will also serve as the Alzheimer’s coordinators in their respective regions, per NARFE’s agreement with Alzheimer’s Disease and Related Disorders Association (ADRDA). The National President is the oversight officer for the National Alzheimer’s Committee, and approves expenditures from the National Alzheimer’s Committee Fund.

5.02 Audit Committee

The Audit Committee shall meet with the auditor as deemed necessary in executive session without the Executive Director to review the audit and the management letter.

5.02.1 The purpose of the audit committee is to act on behalf of the NEB with respect to NARFE’s audit functions and whistleblower protections.

5.02.2 The regional vice presidents shall select three RVPs to serve as the audit committee. The committee shall elect its chair from among its three members. The chair shall also serve as the NARFE Compliance Officer.

- 5.02.3 Committee members shall, to the extent appropriate, maintain an open avenue of communication with senior management, other committee chairs, and other key committee advisors (legal counsel, external auditors, etc.), as applicable, to strengthen the committee's knowledge of relevant current and prospective organizational issues.
- 5.02.4 The committee's annual report shall be included with the publication of the annual audit in the NARFE Magazine.
- 5.02.5 The committee may request members of management, counsel, and external auditors as applicable to participate in committee meetings as necessary to carry out the committee's purpose.
- 5.02.6 On behalf of the NEB, the audit committee will review and provide suggested edits for the IRS Form 990 prior to final submission.

5.03 Investment Committee

A four-member investment committee, appointed by the National President, consisting of the National Secretary/Treasurer as chair and three regional vice presidents, is charged with direct responsibility for managing NARFE investments and will provide status reports to the National President and the full NEB at each of its meetings so the board may fulfill its oversight responsibility in these matters as prescribed by the NARFE bylaws.

- 5.03.1 The investment committee shall meet on a schedule compatible with NEB meetings to review the performance of the portfolio. The investment advisor(s) are expected to be present at these meetings to review the monthly and quarterly portfolio performance and make recommendations.

5.04 Thrift Savings Investment Advisory Council

The National Secretary/Treasurer shall serve as NARFE's representative on the thrift savings investment advisory council.

5.05 401(k) Savings Plan Committee

The 401(k) Savings Plan Committee shall be composed of the National Secretary/Treasurer, who will act as a nonvoting advisor, and three staff members, to include HR. All staff members of the committee must also be plan participants. Each committee member shall be appointed by the National President for a two-year term.

5.06 Bylaws Committee

2021/2022 Bylaws Committee Charter

The Bylaws Committee is responsible for assessing and making recommendations about proposed bylaws and standing rules amendments for placement on a ballot for a vote of the membership. The Committee may submit proposed bylaws amendments in addition to assessing those of other entities.

Committee Responsibilities

- Assess proposals submitted and determine whether and which to refer to other committee(s) for review and recommendation.
- Gather input from committees to develop lists of amendments to be considered by the committee at its meeting(s).

- Determine whether and how to work with the submitter of the amendment(s) and other resolution(s) to revise and/or re-submit bylaws amendments.
- Convene electronically to determine whether to adopt or not adopt amendments for inclusion on the ballot for a full membership vote.
- Seek and consider input of the NARFE parliamentarian and adhere to the current edition of *Roberts Rules of Order Newly Revised*.
- Develop committee reports for publication in the *NARFE* magazine.

Committee Deliverables

- March 1: Deliver rationale for rejection of bylaws amendments to submitters with notice of appeal rights.
- March 15: Deliver appeals to the National Executive Board for final disposition.
- April 1: Prepare Bylaws Committee final report and deliver to the NARFE magazine editor for publication in the June/July issue.

5.07 Strategic Planning Committee

2021/2022 Strategic Planning Committee Charter

The charge of the NARFE Strategic Planning Committee is to create a strategic plan that will provide the path for the continuing viability of NARFE. The plan will help NARFE set priorities, focus energy and resources, identify methods to measure progress and achievement, provide alignment among stakeholders and enable the organization to adjust to a continually changing environment.

Committee Responsibilities

Identify the strategic issues

Identify organizational strengths, weaknesses, opportunities, and threats (SWOT)

Analyze the internal and external environments to identify risks and challenges

Consider and make recommendations on short and long-term planning strategies

Consider and make recommendations on priorities and goals for the organization

Recommend specific, measurable, achievable or attainable, realistic or reasonable, time measured (SMART) goals

Propose key performance indicators

Act as champion for committee outcomes

Deliverables

Strategic Issues to Address

SWOT Analysis

Member Satisfaction Analysis

Review Mission, Vision and Values Statements

Three-to-Five Year Strategic Plan

5.08 Ballot Oversight Committee

2021/2022 Ballot Oversight Committee Charter

The Ballot Oversight Committee shall monitor NARFE balloting processes for elections. It shall propose, for the NEB's consideration, the ballot format, ensuring

that the ballot is easily understandable by the voters, presents all candidates and questions in a fair and nondiscriminatory manner, and protects the secrecy of each voter's choice. The committee shall respond to requests for information or concerns expressed by NARFE members as necessary. Following the completion of balloting, the committee shall provide a report to the National Executive Board (NEB) with recommendations for clarification or improvement.

6.00 Budget and Finance

- 6.01 The organization's annual operating budget is prepared by the executive director in conjunction with the staff vice president, finance and administration, and the National Secretary/Treasurer. All budgets submitted to the NEB for approval must be balanced budgets, without anticipating withdrawals from investment funds to cover overruns. The budget is to be approved by the NEB prior to the start of each fiscal year. Any proposed changes to any department's budgeted expenses that exceeds 10% or any change to the budgeted "change in net assets, without investments" will require the prior approval of the NEB. Lesser changes will require the prior approval of the budget, finance, and investment committee. In the absence of an NEB-approved operating budget for the year, the organization will continue to operate on a pro-rata basis using the latest approved annual operating budget.
- 6.02 The executive director will work together with all department heads to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year. Budget allocations will be informed by the annual operating plan, which in turn is informed by the strategic plan. The staff vice president, finance and administration will ensure that the budget is developed using the organization's standard revenue recognition and cost allocation procedures.
- 6.03 The executive director, staff vice president, finance and administration, and the National Secretary/Treasurer will present a draft budget to the budget, finance, and investment committee at least 30 days prior to its submission to NEB. The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included. The NEB will review and approve the budget at its last meeting prior to the start of the fiscal year.
- 6.04 All special projects requiring funding must be fully developed, including a cost benefit analysis, for presentation to and approval by the National Executive Board during its mid-year review in order for the project to be included in the fiscal year budget proposal.
- 6.05 The executive director is authorized to sign contracts in the name of NARFE; however, contracts valued at or over \$100,000 shall require the prior approval of the NEB.
- 6.05.1 **Sole Source Contracts**
Sole source contracts will not be awarded unless approved by the NARFE National President and National Secretary/Treasurer in advance. Contracts must have a minimum of three (3) prospective bidders. Sole Source contracts referred to the NEB must contain sufficient justification in

writing why the contract should be approved. A copy of the contract shall accompany the written justification.

- 6.06 The executive director shall annually provide the NEB with information on NARFE's insurance coverage, including types of policies, coverage amounts, and recent claims history.
- 6.07 Travel Reimbursement
Expenses of \$25 or less do not require receipts unless charged on a corporate credit card. Travel vouchers and receipts shall be submitted within 30 days. If an officer has properly budgeted funds approved by the NEB in his/her individual budget he/she may travel as desired. If an officer or staff member chooses to travel by automobile rather than by air, the reimbursement will be based on the less expensive option. The mileage rate for official travel is \$0.45 per mile. Travel insurance for the NEB will be authorized, in limited cases, with prior approval of the National Secretary/Treasurer. Maximum reimbursement for gratuities is as follows:
1. Meals – 20%
 2. Porter/Bellman - \$2.00 per bag
 3. Housekeeping - \$2.00 daily
 4. Taxis/Vans – 15%
- 6.08 The National Secretary/Treasurer shall approve all NEB expense reports. Executive Director expense reports shall be reviewed and approved by the National President or National Secretary/Treasurer. The National President's expenses shall be approved by the National Secretary/Treasurer. The National Secretary/Treasurer's expenses shall be approved by the National President.
- 6.09 No travel expenses are authorized for accompanying spouses of NEB members unless specifically authorized by the National President. Any spousal travel expenses authorized by NARFE are considered additional compensation to the NEB member and shall be included in the member's IRS Form W-2.
- 6.10 Federation conferences or conventions may be attended by national officers and/or staff every two years, depending on availability and funding. If a federation wants an officer or staff member to attend during an off year, the federation must pay all expenses incurred. Only one member of the staff may attend a federation conference unless approved by the executive director, and the federation covers the cost of additional staff. Participation by staff via virtual conferencing must be approved by the executive director.
- 6.11 No more than one national officer and no more than two representatives from different departments may attend regional conferences and seminars. Any exception must be approved by the executive director. Expenses for travel by national officers or staff to regional conference and/or chapters must be covered by the region/chapter (as appropriate) unless the travel was budgeted at headquarters.
- 6.12 Each NEB member is authorized to use a NARFE corporate credit card. The National Secretary/Treasurer will issue and be accountable for such cards. Personal expenses may not be charged to the NARFE corporate credit card. NEB members

are solely responsible for all business-related charges made to the NARFE corporate credit card issued to them. Copies of all receipts must be submitted to the budget and finance department within five days of the expenditure.

6.13 Relocation Expenses Resident Officer(s)

Consistent with the Federal Travel Regulation (FTR) unless noted otherwise below, NARFE will reimburse expenses in connection with relocation of resident officers to and from headquarters. The reimbursements of the reasonable relocation expenses will be limited to the costs of relocation. In the event the relocations are different from the permanent legal residence at the time of election, the reimbursements will not exceed the amounts that would have been incurred if the relocations were from and returning to the permanent legal residence. Reimbursed relocation expenses must be incurred within twelve (12) months of the beginning of the term of office and within twelve (12) months of the expiration of the term of office. If the resident officer(s) does not complete his/her term of office, NARFE does not pay moving expenses to return to former residence unless due to reasons beyond the resident officer's control and approved by the NEB.

Newly elected resident officers shall be provided comprehensive guidance on relocation allowances upon election, including being provided a copy of the FTR Chapter 302 with notations of NARFE-authorized relocation allowances.

The reimbursed expenses shall include:

1. Transportation of resident officers and immediate family member(s);
2. Per diem for resident officers only;
3. Transportation and temporary storage of household goods;
4. Shipment of privately owned vehicle (POV) (the current IRS or public carrier rate, whichever is lower);
5. A trip to secure accommodations at the beginning and completion of term of office;
6. Temporary Quarters Subsistence Expenses (TQSE);
7. Reasonable costs of overnight accommodations and meals; and
8. Shipment of household goods to and from the DC metropolitan area.

The disallowed expenses shall include:

1. Claims for transportation expenses while occupying temporary quarters; and
2. Claims for moving incidentals if a contract carrier is used for the movement of household goods.

6.14 All claims for reimbursement of relocation expenses must be submitted within 120 days of occurrence.

6.15 Claims for TQSE, not to exceed the maximum daily amounts, shall be reimbursed for a total of sixty (60) days, beginning with the first date of TQSE claimed.

6.16 All expense vouchers, including itemized receipts, will be submitted within thirty (30) days after the occurrence of the expense or return from travel.

6.17 Life Membership Trust Fund (LMTF)

A restricted LMTF will be established into which all monies for life membership dues will be deposited. The Actuarial Study is performed every three years and looks at

the cost of maintaining the life members to determine if the LMTF account is under/overfunded. At the end of each month, funds may be transferred from the LMTF to the general operating fund in an aggregate amount equal to one-twelfth of all life members' annual dues determined on the basis of each individual member's dues in effect at the time of purchase. No other withdrawal is authorized except for reasonable related expenses that may be incurred periodically in administering the LMTF.

6.18 Supplemental Funds to Federations

A Federation receiving less than \$7,000 in 10% funds (as designated in the bylaws) in the prior calendar year shall receive supplemental funds up to a total of \$7,000 inclusive of the 10% funds.

6.19 Federation presidents in federations that are considered borderline may ask the National Secretary/Treasurer through their regional vice president for supplemental funds. Needy federations may receive up to \$500 for the federation president to attend special information events, e.g. legislative conference, etc.

6.20 NARFE Investments

The National Secretary/Treasurer is responsible for oversight of the investment of NARFE funds consistent with the NARFE investment policy. The Secretary/Treasurer is responsible for recommending investment policy to the NEB and monitoring the financial performance of the investment portfolio. The National Secretary/Treasurer is responsible for reporting to the NEB on compliance with NARFE's policy regarding the investment of NARFE's operating funds. NEB or the investment committee shall meet at least semi-annually with the investment advisor(s).

NARFE will maintain a \$2 million reserve fund to be used expressly to cover expenses that might arise due to unforeseen pressing circumstances. Withdrawals from this fund shall require NEB approval.

6.21 NARFE Investment Policy

Professional custody of funds shall be at a bank, trust company, or brokerage house.

The investment policy shall:

1. Provide a clear understanding of the objectives of NARFE's operating investments and provide a benchmark tool to fulfill our fiduciary responsibilities.
2. Establish a philosophy to guide investment management in fulfilling the established objectives for each of the various elements of NARFE's investments. These objectives should be sufficiently specific to provide direction but flexible enough to operate effectively in changing economic conditions and securities markets.
3. Provide a basis for the investment committee to evaluate the management of the funds.

The investment advisor(s) shall provide (1) confirmations of transactions as they occur; and (2) monthly portfolio asset statements. The investment advisor(s) shall provide a quarterly statement to the investment committee of the returns for the

components of the portfolio as compared to the established benchmarks.

Between meetings, the investment advisor(s) will inform the investment committee of any changes that may impact the securities owned. If a purchase or sale is required between meetings, the consent of the president and secretary/treasurer is required.

The investments shall consist of three distinct types:

1. *Liquid investment*: Those investments which may be readily convertible into cash without significant risk of principal.
2. *Fixed income investments*: Those investments whose income and principal could provide for unexpected emergencies, that provide a higher rate of return on investments than liquid investments and that are not as readily convertible into cash.
3. *Equity investments*: An investment portfolio whose characteristics and management provide a positive rate of return over the long term.

To minimize volatility and risk, the portfolio will:

1. Be diversified in terms of the number and types of securities held;
2. Include a structured mix of industry groups; and
3. Provide the stability characteristics of well capitalized and fairly valued securities.

Liquid Investments may consist of the following types of securities:

- U.S. Treasury (bills, notes and bonds)
- Federal Home Loan Bank (discount notes and debentures)
- Federal Home Loan Mortgage Corporation (discount notes and debentures)
- Federal National Mortgage Association (discount notes and debentures)
- Farm Credit Bank (discount notes and debentures)
- Student Loan Marketing Association (discount notes and debentures)
- International Bank for Reconstruction and Development Discount Notes
- Government National Mortgage Association Mortgage Pools
- Banker's acceptances
- Commercial paper
- Certificates of deposit: 1) U.S. bank, 2) Savings & loan
- Certificates of deposit - Eurodollars: 1) U.S. bank, 2) Savings & loan
- Repurchase agreements (secured by any of the investments stated within this policy). The amount secured should represent the current standard for safe kept collateral.

Fixed Income

Corporate bonds shall be limited to publicly traded items with a Moody's rating of A1, A2, A3, or better, or a Standard and Poor's rating of A+, A, A-, or better. Investment in items rated Baa1, Baa2, or Baa3 by Moody's or BBB+, BBB, or BBB- by Standard and Poor's is permitted only if a thorough analysis of the credit quality has been done.

Equity

The industry groups that we will purchase will reflect closely that of the Standard & Poor's 500. NARFE's weightings in the industry groups may be changed from time to time by the investment committee as compared to the Standard & Poor's 500 weightings.

Equity holdings shall be selected from the New York, American, NASDAQ or regional stock exchanges and in international stocks of developed countries to the extent such investments in the aggregate do not exceed ten-percent of the portfolio. These holdings should represent companies meeting a minimum capitalization requirement established from time to time by the investment committee. Convertible securities may be used in lieu of other equity securities.

Allocation Guidelines

The target range of the liquid, fixed income and equity components of the portfolio will be established from time to time by the investment committee based upon the present forecast of economic conditions. Investment advisors should aim for a mix of 40-50% in equity, 30-40% in fixed income and 10-30% in liquid investments. However, investment advisors may depart from these guidelines with the written permission of the investment committee.

The investment advisors will continually identify the expected returns from each asset class based on the prevailing term structure of interest rates and the expected appreciation or depreciation in the stock markets. As shifts occur in the relative risk/reward relationships among classes of securities, the expected returns will be reflected by adjustments to the asset weighting of the portfolio.

With respect to the asset allocation guidelines, any balance in excess resulting from involuntary action (such as price appreciation) may be adjusted as market conditions and the outlook for the securities dictate.

Rebalancing

Funds shall be rebalanced by the investment advisors on a periodic basis to keep the equities and fixed income funds at a 50/50 split.

Rate of Return

At all times, preservation of capital as well as the minimizing of principal volatility will be considered an integral element of the investment objective of the operating portfolio. The impact of inflation must be offset in order to maintain the real value of the operating portfolio. NARFE's investments are to be managed to provide adequate protection against loss and a return reasonable for the specific instruments' used. NARFE's objective is that, over the long term, the rate of return of the financial instruments that comprise the Investment Portfolio at least equal the rate of return of the market indices relevant to the various instruments and acceptable to the investment committee.

Restrictions

The following are examples of prohibited transactions by the investment committee:

1. Purchase or sale of commodities or commodity contracts and options for same;
2. Securities on margin, short sales, or naked options;
3. Investments in the advisor's own company; or
4. Investments in securities whose issuers have filed a petition for bankruptcy.

7.00 Programs, Publications, and Products

- 7.01 Advertising in conflict with the goals and objectives of NARFE shall not be published at any level of the NARFE organization. Similarly, sponsorships in conflict with the goals and objectives of NARFE shall not be accepted. Such determinations shall be made by the executive director, and legal counsel shall be consulted to ensure such activities are consistent with the tax law.
- 7.02 NARFE shall regularly publish a magazine, and the editorial content of the magazine will affirm the Association's legislative, public relations, service and administrative/management agenda.
- 7.02.1 The editorial guidelines for *NARFE Magazine* are as follows:
- Items containing personal attacks on public or private people will not be considered for publication.
 - Content shall reflect that NARFE is a nonpartisan, but not nonpolitical organization.
 - While the magazine will promote an "exchange of ideas," it will not publish materials that vent anger at an individual, a program, or a political party.
 - Unsolicited manuscripts will not be considered for publication. Relevance, timeliness, clarity and brevity will be taken into account when considering materials for publication. Endorsements for NARFE-elected offices will not be accepted.
 - The obituary guidelines of *NARFE Insider*, with due and necessary consideration given to space limitations, will include short obituaries for current and former national officers, current and former federation officers or other NARFE members approved by the National President.
 - Articles in the magazine or in the *NARFE Insider* will not be used to advertise the services or merchandise of vendors.
- 7.02.2 The cost of an annual subscription for non-members is the first-year dues rate.
- 7.02.3 Final authority for advertising will rest with the *NARFE Magazine* Editorial Board. The editorial board consists of the National President, National Secretary/Treasurer and Executive Director.
- 7.03 *Newsline*
The *Newsline* shall be posted on the NARFE website within one business day of email delivery.

8.00 Administrative

- 8.01 The executive director will designate a staff vice president to be in charge of the

National Headquarters when the executive director is either not in the office nor working remotely.

- 8.02 All requests for legal assistance from members of the NEB and/or staff must be submitted to the executive director for review and determination for submission to legal counsel, except for the NEB Compliance Officer. All opinions from legal counsel will be in writing and will be shared with the NEB.
- 8.03 Regional Vice Presidents, federations and chapters may buy labels from headquarters, covering their members and prospective members for mailing of federation newspapers, newsletters, or bulletins.
- 8.04 Members' telephone, fax number and e-mail address may not be included on any lists of NARFE members provided advertisers and/or contractors, under terms of existing contracts or new contracts.
- 8.05 HQ Operating Schedule
The National President (or designee) shall have the authority to close National Headquarters in the event of severe weather conditions, or comparable emergencies. In such instances, the NEB shall, as a matter of courtesy, be notified as soon as the decision to close has been made. The Association follows the U.S. Government Holiday Schedule and may close on other occasions (e.g., Inauguration Day).
- 8.06 NEB Equipment/Property
Regional Vice Presidents are authorized to purchase multi-purpose office equipment for use in their homes or offices, when properly justified, included, and approved in their current budgets. All equipment is to be NARFE property. Regional Vice Presidents will have the option to purchase their respective equipment, at negotiated value, turn it over to their replacements, or return it to NARFE Headquarters at the end of their terms of office. NARFE will pay shipping costs as required.
- 8.07 Promotional Materials
NARFE items intended for distribution upon monetary donations shall not be used or given for any other purpose.

9.00 Election Procedures

- 9.01 Equalization of Candidates for Office
Any declared candidate for the President, and Secretary/Treasurer, or RVP shall be given basic access to the AMS and NES equal to the current officer, after signing a confidentiality statement. This information from the AMS and NES may be used by all candidates who are running for office only in their campaign for the office.



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