

**AAUW BOARD OF DIRECTORS  
POLICY BOOK**

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## VALUES AND CODE OF ETHICS

Adopted by the Board of Directors July 2009, July 2011, January 2014

Note: In all AAUW policies, the term "AAUW" refers to the nationwide organization.

### **A. Personal and Professional Integrity**

All staff, AAUW Board of Directors members, and volunteers of the organization act with honesty, integrity, and openness in all their dealings as representatives of the organization. The organization promotes a working environment that values respect, fairness, and integrity.

### **B. Mission**

The organization has a clearly stated mission and purpose, approved by the board of directors, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of the organization understand and are loyal to that mission and purpose. The mission is responsive to the constituency and communities served by the organization and is of value to the society at large.

### **C. Governance**

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

### **D. Legal Compliance**

The organization is knowledgeable of and complies with all laws, regulations, and applicable international conventions.

### **E. Responsible Stewardship**

The organization manages its funds responsibly and prudently.

### **F. Openness and Disclosure**

AAUW 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 AAUW will fully and honestly reflect the policies and practices of the organization. Basic informational data about AAUW, such as the Form 990, reviews and compilations, and audited financial statements will be posted on the AAUW website or otherwise available to the public. All solicitation materials accurately represent AAUW'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.

### **G. Inclusiveness and Diversity**

AAUW promotes inclusiveness and its staff, board, and volunteers reflect diversity in

order to enrich its programmatic effectiveness. AAUW takes meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment, and constituencies served.

**H. Fundraising**

AAUW is truthful in its solicitation materials. AAUW respects the privacy concerns of individual donors and expends funds consistent with donor intent. AAUW discloses important and relevant information to potential donors.

**I. Impartial Award Selection**

AAUW has established procedures to facilitate the review of applications for AAUW funds. To ensure the impartiality of these distributions AAUW utilizes a panel of independent experts to undertake these reviews. The experts are provided with clear scoring guidelines and review criteria by which to rate the applications. No scores are given to applicants and reviewer feedback to individuals is expressly prohibited. These criteria ensure the integrity of the selection process.

## COMMITTEES AND TASK FORCES

Approved by the AAUW Board of Directors July 2009, July 2011, February 2013, May 2015, February 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

### Overview

Committees and task forces implement the charges and priorities set by the board of directors in accordance with AAUW Bylaws and relevant board-approved policies and charters. The Governance Committee is responsible for regularly reviewing committee charters and making recommendations to the board. The board has exclusive authority for decisions with respect to any proposed AAUW policies arising from committee or task force work.

### I. Standing and Special Committees

Refer to [individual committee charters](#) for details on committee purpose, responsibilities, membership, terms, voting and quorum requirements, meetings, and minutes and reporting.

### II. Panels and Task Forces

Task forces charged with specific duties for finite periods of time may be appointed by the board of directors. All task forces must have a written charter. Refer to individual task force charters for details on purpose, responsibilities, membership, meetings, and reporting.

## USE OF NAME AND LOGO

Adopted by the AAUW Board of Directors September 1979; amended October 1986, February 1988, June 1988, October 1992, October 1995, August 2000, July 2006, July 2009, July 2011, March 2014, February 2016, June 2019

Note: In all AAUW policies, the term "AAUW" refers to the nationwide organization.

The use of the AAUW name implies an affiliate relationship with AAUW that confers certain legal rights and responsibilities on behalf of AAUW and its members and affiliates. Use of the AAUW name and/or logo requires that all members and affiliates comply with all applicable AAUW, state, and federal regulations including but not limited to signing and submitting to AAUW the AAUW Affiliate Agreement, updated bylaws, organizational documents, and all other documents required by law.

### I. AAUW Authorizes Certain Limitations to Use of Name

- A. The policies, procedures, and program of AAUW shall be binding on all members and AAUW affiliates and no member or AAUW affiliate shall use AAUW's name to oppose such policies, procedures, or program. Established procedures may be used to change a policy, procedure, or program.
- B. The freedom of speech of the individual member to speak a personal opinion in the member's own name is not abridged.

### II. Sanctions for Misuse of Name

Sanctions for misuse of name, including loss of AAUW affiliation, may be imposed by the AAUW board of directors.

### III. Use of Name Guidelines for Legislative Action

Members and affiliates are strongly encouraged to support at local, state, and national levels measures that implement the AAUW Public Policy Priorities and principles of AAUW and AAUW affiliates. Members and/or affiliates may choose not to support such measures, but they may not use the name of AAUW in public opposition to those measures. Established procedures may be used to make changes in the AAUW Public Policy Priorities.

**AAUW MAILING LIST**

Adopted by the AAUW Board of Directors October 1982; amended October 1988; October 1992, February 1994, July 2009, July 2011, June 2016, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

The AAUW mailing list may be used for the mission-based purposes of AAUW.

The AAUW mailing list may be rented to or exchanged with organizations whose goals, purposes, and policies are compatible with those of AAUW. The list will not be rented to or exchanged with organizations whose goals, purposes, and policies oppose those of AAUW.

## CAMPAIGNS AND ELECTIONS

Adopted by the AAUW Board of Directors June 1984, as addendum; revised June 1986, October 1986, September 1991, June 1996, February 1998, June 1998, March 2000, March 2001, May 2001, August 2002, June 2004, June 2006, July 2009, June 2012, November 2014, February 2016, September 2018

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

### **Campaigns and Elections Policy**

**Campaign.** Any activities and communications in any form by or at the direction of a director candidate, supporter, or surrogate for the purpose of gaining votes for the election as an AAUW-elected director.

Candidates shall adhere to AAUW’s Values and Code of Ethics. Personal campaigning shall be limited to candidate presence in the annual voting guide, on the AAUW website, and in other publications or events that will be offered to all candidates, and shall follow procedures approved by the Board of Directors.

Director candidates shall inform their supporters regarding campaign procedures and shall encourage their supporters to follow these procedures.

Campaigns and Elections Policy 116 and the companion Campaigns and Elections Procedures shall bind all candidates. Receipt of these documents by the candidate indicates the candidate agrees to abide by the campaign and election policies and procedures.

**AAUW REMOVAL OF OFFICERS AND DIRECTORS POLICY**

Adopted by the AAUW Board of Directors January 21, 2014, June 2019

Note: In all AAUW policies, the term "AAUW" refers to the nationwide organization.

**AAUW Bylaws, Article VI., Section 3.c. Removal from Office.** *An Officer or Director may be removed for any reason by a two-thirds vote of the Board of Directors at a meeting of the Board of Directors in accordance with policies and procedures adopted by the Board of Directors.*

This Removal of Officers and Directors Policy sets forth the procedures that the Board of Directors will follow with respect to the removal of an officer or director pursuant to Article VI, Section 3.c of the Bylaws.

**Procedures for Removal**

The AAUW Board of Directors may remove an officer or director by a two-thirds vote of all directors then in office. The following procedures shall be followed:

- A. At any meeting of the Board of Directors, any director may suggest the removal of a specific director or officer (the "Subject Party"), providing reasons in support of such action. After discussion, if more than one-third of all directors then in office agree that removal should be considered, the Board of Directors shall create and send to the Subject Party a written notice presenting the facts that support removing the Subject Party (the "Notice of Possible Removal").
- B. Within the following thirty (30) days, the Subject Party may choose to respond in writing to the Notice of Possible Removal (the "Response").
  1. Regardless of whether a Response has been received, the Board of Directors shall thereafter meet in the absence of the Subject Party, discuss the situation and all relevant documents, including but not limited to the Notice of Possible Removal and the Response, if any.
  2. Following this discussion, the Board of Directors will vote on the matter.

The Board of Directors reserves the right to initiate immediate removal of a director or officer by two-thirds vote of the Board of Directors.



## DIVERSITY POLICY

Adopted by the AAUW Board of Directors, June 1988; revised October 1988, October 1992, February 1993, June 1994, June 2000, January 2005, July 2009, July 2011, April 2016, February 2017, June 2018, June 2019, May 2024

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

In principle and in practice, AAUW values and seeks an inclusive membership, workforce, leadership team, and board of directors. There shall be no barriers to full participation in this organization on the basis of age, disability, ethnicity, gender, gender identity, geographical location, national origin, race, religious beliefs, sexual orientation, or socioeconomic status.

AAUW prohibits discrimination by reason of perceived gender identity in compliance with regulations established in the District of Columbia’s Human Rights Act of 1977 as amended on March 3, 2006. All affiliates must comply with applicable affiliate state statutes established to prevent discrimination regarding gender identity. The perceived gender identity of an individual shall not be the basis for any form of discrimination in any membership eligibility, program, or activity of AAUW or its affiliates. Notwithstanding AAUW’s committee, the nondiscrimination policy shall not extend to the use of any funds restricted by donor intention for the use of individuals based on qualifying criteria, including age, disability, ethnicity, gender, gender identity, geographical location, national origin, race, religious beliefs, sexual orientation, or socioeconomic status.

**DISABILITY ACCESS**

Adopted by the AAUW Board of Directors, October 1994, July 2009, July 2011, April 2016, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

AAUW is firmly committed to providing equal access for its membership, workforce, or applicants with disabilities. The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act (ADAAA) define a person with a disability as a person who has a physical or mental impairment that substantially limits one or more major life activity. This includes people who have a record of such impairment, even if they do not currently have a disability. It also includes individuals who do not have a disability but are regarded as having a disability. The ADA also makes it unlawful to discriminate against a person based on that person’s association with a person with a disability.

## CREATING AND NAMING AAUW AFFILIATES

Approved by the AAUW Board of Directors July 2009, June 2011, July 2011, May 2014, March 2015, February 2016, June 2017, June 2018

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

AAUW is committed to creating new AAUW affiliates and to encouraging the growth of existing affiliates as we strive to break through barriers for women and girls.

### How to Establish an AAUW Affiliate

- A group of persons within a community eligible for AAUW membership may establish an AAUW affiliate if it establishes nonprofit status and meets the requirements of the Internal Revenue Service, the jurisdiction in which it is organized, the AAUW Board of Directors, and the AAUW Bylaws and policies.
- Any new AAUW affiliate requires final approval from the AAUW Board of Directors or Executive Committee.
- All AAUW affiliates shall be governed by the AAUW Bylaws and must sign and submit an AAUW Affiliate Agreement. The affiliate must adopt bylaws that conform to the AAUW Bylaws and comply with the laws of the governing jurisdictions under which it will operate. All affiliate bylaws must be submitted to AAUW for IRS inspection.
- If the new entity is seeking independent nonprofit status and/or incorporation, the entity must submit the IRS determination letter and/or a copy of the Articles of Incorporation by the respective jurisdiction to the AAUW board. These requirements are also applicable to a foundation or other 501(c)(3) entity created by an existing AAUW affiliate.
- In the instance of entities seeking incorporation, the Articles of Incorporation (or similarly titled document required by the state for incorporation) must include the following statements:

“The purpose of AAUW is to advance equity for women and girls through advocacy, education, philanthropy, and research.”

“The title to all property, funds, and assets of an affiliate is vested in the affiliate. An affiliate shall have complete control of its property and assets, except that such property and assets shall not be used for any purpose contrary to AAUW’s purposes. In the event of dissolution of an affiliate or the termination of an affiliate’s affiliation with AAUW, all assets of the affiliate shall be transferred and delivered to AAUW or to another affiliate designated by AAUW.” AAUW may solicit and consider recommendations from local leaders before making a designation.

In addition, the name under which the affiliate is incorporated should include the words “(affiliate name) of the American Association of University Women.”

- New affiliates must work in consultation with the AAUW Advancement & Partnerships department, as well as comply with all federal, state, and local/municipal laws. The naming of the new affiliate is an integral part of the process and is included in the approval process. The AAUW board has the final authority to approve the original name and any subsequent name modifications.
- Policies and procedures to control financial records must be consistent with generally accepted accounting principles and federal, state, and local laws.
- All members of the affiliate must be dues-paying members of AAUW who meet the AAUW eligibility qualifications. The affiliate may provide for annual dues consistent with AAUW dues requirements.

### **Mergers**

- AAUW affiliates may merge with other affiliates in their area. Each individual merging affiliate disbands and no longer exists as a separate entity. A new affiliate with a new name, structure, bylaws, affiliate agreement, and tax status is created as a result of the consolidation and must be approved according to the preceding process.

## AAUW MEMBERSHIP REVIEW POLICY

Adopted by the AAUW Board of Directors June 2012, updated June 2024

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

Membership in AAUW and its affiliates is open to all who support the AAUW mission and our values. Membership in AAUW is required for membership in any AAUW affiliate.

Conduct or action that does not reflect support for our mission and values or tends to injure AAUW or adversely affect its reputation may be grounds for termination of membership in AAUW.

No member may use the name of AAUW to oppose AAUW policies or programs. Conduct or action in opposition to AAUW’s policies, or programs, may be grounds for termination.

The AAUW board is ultimately responsible for decisions regarding termination of membership in AAUW. The board may delegate authority for making such determinations to a committee or to staff. Any request to terminate the AAUW membership of an individual or organization shall be made to the CEO of AAUW, with a copy to the Chair of the Board.

Procedures for making the determination shall require a written description of the reason for the requested termination signed by the individuals requesting the action, and an opportunity for the individual whose membership is potentially subject to termination to explain his/her action or conduct or to deny the accusation that his/her action or conduct was contrary to AAUW’s mission or values or in violation of policy or programs.

A decision terminating an individual’s or an organization’s membership in AAUW by staff or a committee established by the board shall be reported to the board.

Any decision to terminate an individual’s or an organization’s membership in AAUW made by staff or a committee established by the board may be appealed to the full board. Determinations by the board are final.

Termination of an individual’s membership in AAUW automatically terminates that individual’s membership in any affiliate of AAUW.

## AAUW BRANCH AFFILIATION REVIEW POLICY

Adopted by the AAUW Board of Directors June 2012

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization. The following policy also applies to the affiliation review process of Younger Women’s Task Force (YWTF) chapters and the Collegiate Women’s Leadership Educators Alliance (CWLEA).

This Affiliation Branch Affiliation Review Policy sets forth the bases and procedures for review (“Review”) of a branch’s affiliation with AAUW. Any member in good standing may contact the AAUW Membership Department to present a request for review (“Request”), and if the member asserts a desire to submit to AAUW a Review Request, staff will provide a “Request for Review of Affiliation Branch Status” form for submission of the Request to the AAUW Board of Directors. The member making such submission (the “Requesting Member”) is required to describe the specific reasons for requesting a review of the-affiliation status of the branch named as the subject of the submission (the “Subject Branch”) and to supply adequate, appropriate, factual information about the basis or bases for the Request.

### I. Basis for Affiliation Status Review

The basis for review of an affiliation with AAUW includes any conduct that tends to injure AAUW or to adversely affect its reputation or that is contrary to or destructive of its mission (“Wrongful Conduct”), including, without limitation, the following:

- Violation of the AAUW Affiliate Agreement
- Use of AAUW name, logo, assets, or affiliation status in a manner that is not lawful, ethical, and/or consistent with AAUW policies and procedures
- Statements or actions that harm or threaten AAUW’s reputation, tax status, program, or ability to conduct its work, including but not limited to making improper alliances
- Refusal to conform organization bylaws to current AAUW Bylaws
- Evidence of misappropriation, impropriety, or dereliction of duty regarding the assets or property of AAUW or an AAUW affiliate
- Statements or actions that breach the confidentiality of AAUW confidential and/or proprietary information and data, including but not limited to use and/or facilitation of third-party use of member contact information for non-AAUW purposes
- Involvement with collaborative alliances, individuals, groups, and organizations whose purposes or actions are inconsistent with AAUW’s mission or public policy

- Statements or actions that hinder or block the admission of an eligible graduate or qualified institution to AAUW membership
- Statements or actions that are contrary to AAUW’s diversity, inclusion, and/or disability access policies
- Statements or actions that malign, threaten, attack, or harass an AAUW member or a member of AAUW’s staff
- Actions undertaken by the branch that exceed branch authority with respect to branches, other affiliates, and/or members
- Other antagonistic behavior

## **II. Affiliation Review Procedures**

Upon receipt of a submitted Request for Review of-Affiliation Status form, AAUW senior staff will review the Request and attempt a resolution of the situation alleged in the Request, if appropriate to the situation.

If unresolved, the Request will be forwarded to the board chair, who will refer it to the Affiliation Review Working Group of the AAUW board (the “Working Group”), which shall be comprised of three members of the AAUW board appointed on an as-needed basis by the board chair and affirmed by a majority vote of the AAUW board. A senior staff member or appointed person will provide technical assistance to the Working Group.

## **III. Notification to All Branch Members**

To initiate the review process, after the Working Group receives the Request, the AAUW board secretary will notify the Subject Branch and the Requesting Member that the AAUW board is in receipt of the Request, identifying the Requesting Member and informing them that the Request has been forwarded to the Working Group of the AAUW board. Notification of the initiation of the-Affiliation Review process, including the basis for the Request, will be sent by certified mail, return receipt requested, to the address/es in the AAUW Membership Services Database (MSD) and to the Requesting Member; electronic mail or fax may be utilized if proper receipt can be verified (this process hereinafter will be referred to as “certified mail or verifiable alternative”). Notification will include a specific-Affiliation Review email address established for communication with the Working Group and/or the AAUW board regarding this Review (“Review Address”). The Subject Branch members and the Requesting Member may submit comments for Working Group consideration. Such comments must be identified with the members’ name and contact information. The Working Group (or the board as applicable) may request comments from others at its sole discretion.

## **IV. Board Working Group Process**

When the Working Group receives the Request, the Working Group shall conduct a preliminary review and assessment of the facts and circumstances surrounding the alleged Wrongful Conduct and shall send its findings and recommendations to the Board Chair. If the

recommendations of the Working Group are not unanimous, the positions of each Working Group Member shall be identified and accompany the recommendations. If those recommendations are that the AAUW board should initiate a Review, the recommendations should include procedures for any interview, including time limits.

## **V. Board Review Decision and Notification Processes**

### **A. Board Review Decision**

The board chair will present these recommendations to the AAUW board for its decision about whether the AAUW board should conduct a Review and, if approved, how the Review process should be conducted. Such decisions shall be made by the majority of the AAUW board members if voting in person or by unanimous vote if voting by telephone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

### **B. Board Review Decision Notification and Optional Interview Request**

The Subject Branch and the Requesting Member will then be notified by the AAUW board secretary by certified mail or verifiable alternative of the AAUW board's decision whether or not to conduct a Review. This decision may include a request by the AAUW board for an interview with one or more representatives of the Subject branch to be conducted either (a) through a visit to a location within the state at issue by one or more members of the AAUW board selected by the board chair or (b) by recorded teleconference. Whether or not the AAUW board requests an interview with the Subject Branch representative(s), notice by the AAUW board is required. This notice will include the type of interview requested and a proposed date and time for the interview no less than 25 days and no more than 45 days from the postmark date of notice at such time that a majority of the AAUW board is able to participate in the interview.

*Optional AAUW Affiliate Interview.* If the board determines that it wishes to interview representatives of the Subject but such branch is factionalized, the board may at its sole discretion decide to request that each faction submit the name/s of one or more representatives to participate in the interview or, if appropriate, interviews with the board.

If the board requests an interview or interviews with an AAUW affiliate or factions of such entity/entities ("Faction/s"), (a) the entity will identify a single individual spokesperson ("Contact Person") who will be responsible for responding to the board's request for interview and (b) shall, by email to the Review Address within 10 days of the postmark date of the notice, either accept the date and time for the interview proposed by the board or propose an alternative date and time. Discussion of alternative dates and times for the interview may be conducted by email between the board secretary and the Contact Person, but establishment of any such alternate date and time shall require prior notice sent by the board secretary to the Contact Person confirming the interview date and stipulating the duration and protocols for the interview/s.



*Absence of Timely Response.* Unless the board secretary receives a timely response from the Subject Branch and/or Contact Person if applicable, either accepting the date and time or negotiating a mutually acceptable alternative for the proposed interview/s, two more attempts will be made by the board secretary to determine with the Subject Member and/or Contact Person, if applicable, a mutually agreed-on date and time for the interview/s. If unsuccessful, the board secretary shall establish a date and time and notify those identified by the board for interview by certified mail of its intention to proceed. Such interview need not be conducted as part of a meeting of the board.

**VI. Submission of Statement.** Whether or not the AAUW board requests an interview or interviews, the Review notice shall also specify that the Subject Member or Contact Person if applicable may, within 15 days of the postmark date of the notice, submit to the AAUW board secretary by email to the Review Address, a written statement for AAUW board consideration.

#### **VII. Affiliation Status Review Process**

If an interview date/s has been set (if applicable), the board chair will convene and conduct the interview/s according to the process the AAUW board has specified. Whether the interview takes place or not, the AAUW board will proceed with its deliberations at a meeting in which no fewer than 12 of its members are present, in which case a majority is required for action, or by the unanimous vote of the full AAUW board if conducted by telephone voting. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

After the AAUW board makes its decision about whether or not Wrongful Conduct occurred, the AAUW board secretary will notify the Subject Branch of the AAUW board's decision by certified mail or verifiable alternative sent no more than four days after the decision is rendered ("AAUW Board Decision Notification"). The AAUW board's decision may include

- dismissal of any allegations against the Subject Branch,
- requirement of reparative action by the Subject Branch in order to avoid being terminated as an AAUW branch, or
- termination as an AAUW branch effective immediately.

#### **VIII. Board Decision Alternatives**

##### **A. Decision to Dismiss All Allegations**

If the board decides to dismiss all allegations and continue the Subject Branch's AAUW affiliation status in good standing, the AAUW board secretary will notify the Subject Branch and the Requesting Member by certified mail or verifiable alternative within four days of the AAUW board's decision ("Final Decision"). All rights and privileges of AAUW membership will continue to accrue to the member.

**B. Decision to Terminate or Satisfy the Terms of a Reparative Action Plan**

An AAUW board decision to require reparative action may not be appealed. When the AAUW Board Decision Notification requires reparative action in order for the Subject Branch to avoid being dropped from affiliation, such notice must include both the terms and timing of (a) the required reparative action and (b) a written report from the Subject Member back to the AAUW board on the reparative actions taken and results. Such notice must also clearly state that the required reparative action must be undertaken within 30 days of the postmark date of the AAUW Board Decision Notification under such terms of the reparative action as the AAUW board shall determine.

Further, if the AAUW board elects to require reparative action,

- all AAUW affiliation privileges of the Subject Branch except those permitted under the terms of the reparative action plan will be suspended until a final affiliation status decision has been made by the AAUW board; and
- the Subject Branch members will be notified of the suspension by the AAUW board secretary by certified mail or verifiable alternative on the same day that the Subject Branch is sent the AAUW Board Decision Notification.

**1. Review of Reparative Action.** Following the expiration of the period designated by the AAUW board for the required reparative action, the AAUW board may at its discretion request that the Working Group review the reparative action undertaken (Reparative Action Review) and may establish criteria for the Working Group's Reparative Action Review of the reparative action; or the board may conduct this review itself. If the Working Group reviews the Subject Branch's reparative action report (if received) and evaluates the effectiveness of the reparative actions, the Working Group will report its findings regarding the Subject Branch's compliance with the reparative action plan and make recommendations to the AAUW board. If the recommendations of the Working Group are not unanimous, the positions of each Working Group member shall be identified and accompany the recommendations.

**2. Board Decision on Reparative Action.** Whether the AAUW board requests the assistance of the Working Group or the AAUW board itself conducts the Reparative Action Review, the AAUW board will make the decision about (a) whether the terms of the reparative action plan have been satisfied by the Subject Branch and (b) whether to restore the Subject Branch's privileges of affiliation or to terminate the Subject Member from AAUW affiliation effective immediately.

Such decision will be made by a majority vote of the AAUW board at a meeting in which no fewer than 12 of its members are present or by the unanimous vote of the

full AAUW board if conducted by telephone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded. Such decision may not be appealed. Such termination decision must also be accompanied by a clear explication to the former Subject Branch regarding any possibilities for options and the terms for such alternatives.

#### **IX. Decision to Terminate Affiliation**

Notification of the AAUW board's Reporative Action Review decision to terminate the Subject Branch's affiliation with AAUW effective immediately must be sent by the AAUW board secretary to the Subject Branch and its members and the Requesting Member by certified mail or verifiable alternative within four days of the AAUW board's decision. Such notification must include whether or not the board will consider an appeal to its decision and, if so, the terms and conditions under which the board may consider an appeal.

#### **X. Appeal of Decision to Terminate-Affiliation**

The AAUW board, at its sole discretion, may allow its affiliation termination decision to be appealed by the Subject Branch ("Termination Decision Appeal"). Such decision to consider appeal will be made by a majority vote of the AAUW board at a meeting in which no fewer than 12 of its members are present or by the unanimous vote of the full AAUW board if conducted by telephone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

If the AAUW board, in its sole discretion, decides not to provide the Subject Branch the opportunity to submit an appeal to the affiliation termination decision, the termination will be considered final. If the AAUW board, in its sole discretion, decides to provide the Subject Branch the opportunity to submit a Termination Decision Appeal, the procedure must include the following:

- The board must stipulate the timing, terms, and conditions for the appeal.
- The Subject Branch must submit a request for appeal within 30 days of the postmark date of the AAUW board notification.
- The Subject Branch will be suspended for the period that extends from the time of the board's decision to consider an appeal until a decision on the appeal is rendered by the AAUW board.
- The AAUW board, at its sole discretion, may or may not request a further interview with the Subject Branch and/or others as part of its decision to consider a Reporative Action Decision appeal, and failure to comply with such request if proffered would terminate the option to submit an appeal.

#### **A. If No Request for Appeal Has Been Submitted Timely**

Following the expiration of the 30-day period the AAUW board has allowed for receipt of any request for appeal, if no Appeal Request has been submitted, the AAUW board decision to terminate the Subject Branch from AAUW will stand. Notification of the AAUW board's Final Decision must be sent by the AAUW board secretary to the Subject Branch and its members by certified mail or verifiable alternative within four days of the AAUW board's Final Decision to terminate the former affiliation status of the Subject Branch effective immediately. There can be no further appeal.

All of the Subject Branch's rights as an affiliate of AAUW shall cease upon being terminated from affiliation. Any AAUW branch that is terminated from affiliation with AAUW is prohibited from engaging in AAUW activities at any level, from using any form of AAUW's name or logo, and from restructuring, reorganizing, or reforming another AAUW affiliate unless specifically authorized in the AAUW board's Final Decision.

**B. Terms for Appeal of Board Affiliation Termination Decision (if accepted)**

If the Subject Branch submits a timely, written request for appeal ("Appeal Request"), in making its decision whether or not to accept an affiliation termination decision, the AAUW board will consider

- whether there is credible evidence that the actions that were the basis of the decision to terminate the Subject Member from-affiliation will not recur;
- whether there is new and relevant information sufficient to change its decision to terminate the Subject Member from-affiliation;
- whether there are any other reasons to rescind, modify, condition or delay action; and
- other factors, as long as the decision of the board regarding acceptance or rejection of the Appeal Request includes a statement of other factors material to its decision.

If the board rejects the Appeal Request, the affiliation termination decision is immediately effective. If the Appeal Request is granted, the appeal will proceed at the earliest date set by the board and no more than 30 days after the board's decision to grant the Appeal Request. If granted, the Subject Member will be notified within four days of the appeal decision, and it will be conducted under the terms and conditions stipulated by the board.

At the termination of the appeal (if applicable), the AAUW board will render a Final Decision immediately. The Final Decision requires a majority vote of the AAUW board at a meeting in which no fewer than 12 of its members are present or by the unanimous vote of the full AAUW board if conducted by phone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

Notification of the AAUW board's Final Decision must be sent by the AAUW board secretary to the Subject Branch and to the board chair or administrative officer of any AAUW affiliate with which the Subject Member is a member by certified mail or verifiable alternative within four days of the AAUW board's Final Decision to terminate the former affiliation status of the Subject Member effective immediately. There can be no further appeal.

#### **XI. Consequences of AAUW Affiliation Status Termination**

Affiliation termination effectively terminates the Affiliation Agreement with AAUW that qualified the former branch for its nonprofit status as a subordinate affiliated entity of AAUW and terminates the branch's inclusion in the AAUW Group Tax Exemption (if applicable). A terminated branch is obligated to file all appropriate legal documents affirming termination of its affiliation from AAUW, including those related to its state certificate of incorporation and to its federal nonprofit status.

Terminating a branch from affiliation shall not relieve such former branch or its members of any existing obligations to AAUW or of its obligations to the state in which it has operated as a nonprofit organization or to the IRS, which granted it nonprofit status as a subordinate entity of AAUW, or of any other legal obligations.

##### **A. Obligation of AAUW Affiliates with Respect to the Terminated Branch**

If an AAUW affiliate should decide not to recognize the termination of the former AAUW branch and to continue its affiliation with the Former Subject Branch, such continued affiliation will be treated as provocation for disaffiliation of that affiliate.

##### **B. AAUW Member Status after Branch Affiliation Termination**

Terminating a branch from affiliation does not terminate the members from their membership in AAUW, nor does it terminate the AAUW members' affiliation with any other AAUW affiliate in which they have membership. Although disaffiliation of the branch disaffiliates it from the AAUW state organization, the former branch members may apply to the AAUW board for its consent

1. to restructure, reorganize, or reform their branch under the terms/conditions stipulated by the AAUW board if and only if that alternative was presented with the AAUW board Final Decision; or
2. to organize a new AAUW Affiliate, which the AAUW board may grant or not at its sole discretion.

## AAUW STATE ORGANIZATION AFFILIATION REVIEW POLICY

Adopted by the AAUW Board of Directors June 2012

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

This Affiliation Review Policy sets forth the bases and procedures for review (“Review”) of the AAUW affiliation status of an AAUW state organization (“State Organization”). Each AAUW State Organization is a governance structure that is created by the AAUW branches; thus, the Review of a State Organization does not constitute an affiliation review of the branches that are part of that structure. Only the State Organization structure is subject to the Review (“Subject State Organization”), and any Review of any or all branches within that State Organization structure must be undertaken independently.

Any member in good standing may contact the AAUW Membership Department to present a request for Review (“Request”), and if the member asserts a desire to submit to AAUW a request for Review, AAUW staff will provide a “Request for Review of Affiliation Status” form for submission of the Request to the AAUW Board of Directors. The member making such submission (“Requesting Member”) is required to describe the specific reasons for requesting a review of the affiliation status of the Subject State Organization and to supply adequate, appropriate, factual information about the basis or bases for the request.

### I. Basis for Affiliation Status Review

The basis for review of a State Organization’s affiliation with AAUW includes any conduct that tends to injure AAUW or to adversely affect its reputation or that is contrary to or destructive of its mission (“Wrongful Conduct”), including, without limitation, the following:

- violation of the AAUW Affiliate Agreement;
- use of AAUW name, logo, assets, or affiliation status in a manner that is not lawful, ethical, and/or consistent with AAUW policies and procedures;
- statements or actions that harm or threaten AAUW’s reputation, tax status, program, or ability to conduct its work, including but not limited to making improper alliances;
- failure to conform State Organization bylaws to current AAUW Bylaws;
- failure to conform State Organization bylaws to requirements of controlling state law;
- failure to operate consistent with Internal Revenue Service requirements for nonprofit organizations;

- evidence of misappropriation, impropriety, or dereliction of duty regarding the assets or property of AAUW or an AAUW affiliate;
- statements or actions that breach the confidentiality of AAUW confidential and/or proprietary information and data, including, but not limited to, use and/or facilitation of third-party use of member contact information for non-AAUW purposes;
- involvement with collaborative alliances, individuals, groups, and organizations whose purposes or actions are inconsistent with AAUW’s mission or public policy;
- statements or actions that hinder or block the admission of an eligible graduate or qualified institution to AAUW membership;
- statements or actions that are contrary to AAUW’s diversity, inclusion, and/or disability access policies;
- statements or actions that malign, threaten, attack, or harass an AAUW member or a member of AAUW’s staff;
- action/s undertaken by the State Organization that exceed State Organization authority with respect to other AAUW affiliates; or
- other antagonistic behavior.

## **II. Affiliation Review Procedures**

Upon receipt of a submitted Request for Review of Affiliation Status form, AAUW senior staff will review the Request and attempt a resolution of the situation alleged in the Request, if appropriate to the situation.

If unresolved, the Request will be forwarded to the board chair, who will refer it to the Affiliation Review Working Group of the AAUW board (the “Working Group”), which shall comprise three members of the AAUW board appointed on an as-needed basis by the board chair and affirmed by a majority vote of the AAUW board. A senior staff member or appointed person will provide technical assistance to the Working Group.

## **III. Notification of All State Organization Members**

To initiate the review process, after the Working Group receives the Request, the AAUW board secretary will notify all members of the Subject State Organization (“State Organization Members”) and the Requesting Member that the AAUW board received the Request, identifying the Requesting Member and informing the State Organization Members that the Request has been forwarded to the Working Group of the AAUW board. Notification of the initiation of the Affiliation Review process, including the basis for the Request, will be sent by Certified Mail, return receipt requested, to the address/es in the AAUW Membership Services

Database (MSD) and to the Requesting Member; electronic mail or fax may be used if proper receipt can be verified (this process hereinafter will be referred to as “Certified Mail or verifiable alternative”). Notification will include a specific Affiliation Review email address established for communication with the Working Group and/or the AAUW board regarding this Review (“Review Address”). Subject State Organization Members may submit comments regarding their perspectives on the Subject State Organization situation. Such comments must be identified with the members’ names and contact information.

#### **IV. Board Working Group Process**

When the Working Group receives the Request, it shall conduct a preliminary review and assessment of the facts and circumstances surrounding the alleged Wrongful Conduct and shall send its findings and recommendations to the board chair. If the recommendations of the Working Group are not unanimous, the positions of each Working Group member shall be identified and accompany the recommendations. If those recommendations are that the AAUW board should initiate a Review, the recommendations should include procedures for any interview requested by the board, including time limits.

#### **V. Board Review Decision and Notification Processes**

##### **A. Board Review Decision**

The board chair will present these recommendations to the AAUW board for its decision about whether the AAUW board should conduct a Review and, if approved, how the Review process should be conducted. Such decisions shall be made by the majority of the AAUW board members if voting in person or by unanimous vote if voting by telephone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

##### **B. Board Review Decision Notification and Optional Interview Request**

The Subject State Organization Members and the Requesting Member will then be notified by the AAUW board secretary by Certified Mail or verifiable alternative of the AAUW board’s decision whether or not to conduct a Review (“Review Notice”). This decision may include a request by the AAUW board for an interview with one or more representatives of the Subject State Organization to be conducted either (a) through a visit to a location within the state at issue by one or more members of the AAUW board selected by the board chair or (b) by recorded teleconference. The Review Notice shall include the type of interview requested and a proposed date and time for the interview at such time that a majority of the AAUW board is able to participate in the interview, no less than 25 days and no more than 45 days from the postmark date of notice. The Review Notice shall include a postal and an email address that must be used for any and all responses to board communications regarding the Review.

*Optional AAUW State Organization interview.* If the AAUW board determines that it wishes to interview one or more representatives of the Subject State Organization but



that the Subject State Organization is factionalized, the AAUW board may, at its discretion, decide to request that each faction submit the name/s of one or more representatives to participate in the interview or, if appropriate, interviews with the AAUW board.

*Notification of factions.* If the AAUW board requests an interview or interviews, the Subject State Organization or subject state factions (“Factions”) (a) shall each identify a single individual spokesperson (“Contact Person”) who will be responsible for responding to the AAUW board’s request for interview and (b) shall, by email to the Review Address within 10 days of the postmark date of the Review Notice, either accept the date and time for the interview proposed by the AAUW board or propose an alternative date and time. Discussion of alternative dates and times for the interview may be conducted by email between the AAUW board secretary and the Contact Person, but establishment of any such alternate date and time shall require a confirmation notice sent by the AAUW board secretary to the Contact Person confirming the interview date and stipulating the duration and protocols for the interview/s.

*Absence of Timely Response.* Unless the AAUW board secretary receives a timely response from the Contact Person either accepting the date and time or negotiating a mutually acceptable alternative for the proposed interview/s, two more attempts will be made by the AAUW board secretary to determine with the Contact Person a mutually agreed date and time for the interview/s. If unsuccessful, the AAUW board secretary shall establish a date and time and notify all members of the Subject State Organization by Certified Mail or verifiable alternative of its intention to proceed. Such interview need not be conducted as part of a meeting of the AAUW board.

*Submission of Statement.* Whether or not the AAUW board requests an interview or interviews, the Review notice shall also specify that the Subject State Organization’s Contact Person or the Factions’ Contact Persons may, within 15 days of the postmark date of the notice, submit to the AAUW board secretary by email to the Review Address a written statement for AAUW board consideration.

#### **VI. Affiliation Status Review Process**

If an interview date has been set (if applicable), the board chair will convene and conduct the interview/s according to the process the AAUW board has specified. Whether the interview takes place or not, the AAUW board will proceed with its deliberations at a meeting in which no fewer than 12 of its members are present, in which case a majority is required for action, or by the unanimous vote of the full AAUW board if conducted by telephone voting. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

#### **VII. Board Decision Alternatives**

After the AAUW board makes its decision as to whether Wrongful Conduct occurred, the AAUW board secretary will notify the Subject State Organization Members of the AAUW board's decision by Certified Mail or verifiable alternative sent no more than four days after the decision is rendered ("AAUW Board Decision Notification"). The AAUW board's decision may include the following alternatives as enumerated, then discussed separately:

- Dismissal of any allegations against the Subject State Organization,
- Requirement of reparative action by the Subject State Organization in order to avoid termination as an AAUW State Organization, or
- Termination as an AAUW State Organization effective immediately.

**A. Decision to Dismiss All Allegations**

If the board decides to dismiss all allegations and continue the State Organization's AAUW affiliation status in good standing, the AAUW board secretary will notify the Subject State Organization Members and the Requesting Member by Certified Mail or verifiable alternative within four days of the AAUW board's decision ("Final Decision"). All rights and privileges of AAUW State Organization membership will continue to accrue to the State Organization and all its members.

**B. Decision to Terminate or Satisfy the Terms of a Reparative Action Plan**

An AAUW board decision to require reparative action may not be appealed. When the AAUW Board Decision Notification requires reparative action in order for the Subject State Organization to avoid being dropped from affiliation, such notice must include both the terms and timing of

- the required reparative action,
- the acknowledgment by the Subject State Organization of intent to undertake the reparative action, and
- a written report from the Subject State Organization back to the AAUW board on the reparative actions taken and results.

Such notice must also clearly state that the required reparative action must be undertaken within 30 days of the postmark date of the AAUW Board Decision Notification unless the AAUW board stipulates a different time period to accommodate a change in governance structure or a new board election under such terms of the reparative action as the AAUW board shall determine.

Further, if the AAUW board elects to require reparative action,

- all AAUW affiliation privileges of the Subject State Organization except those permitted under the terms of the reparative action plan will be suspended until a final affiliation status decision has been made by the AAUW board; and
- the Subject State Organization members will be notified of the suspension by the AAUW board secretary by Certified Mail or verifiable alternative on the same day that the Subject State Organization board members are sent the AAUW Board Decision Notification.

*Review of reparative action.* Following the expiration of the period designated by the AAUW board for the required reparative action, the AAUW board may at its discretion request that the Working Group review the reparative action undertaken (Reparative Action Review) and may establish criteria for the Working Group's Reparative Action Review of the reparative action; or the board may conduct this review itself. If the Working Group reviews the Subject State Organization reparative action report (if received) and evaluates the effectiveness of the reparative actions, the Working Group will report its findings regarding the Subject State Organization's compliance with the reparative action plan and make recommendations to the AAUW board. If the recommendations of the Working Group are not unanimous, the positions of each Working Group member shall be identified and accompany the recommendations.

*Board decision on reparative action.* Whether the AAUW board requests the assistance of the Working Group or the AAUW board itself conducts the Reparative Action Review, the AAUW board will make the decision about (a) whether the terms of the reparative action plan have been satisfied by the Subject State Organization and (b) whether to restore the Subject State Organization's privileges of affiliation or to terminate the Subject State Organization from AAUW affiliation effective immediately.

Such decision will be made by a majority vote of the AAUW board at a meeting in which no fewer than 12 of its members are present or by the unanimous vote of the full AAUW board if conducted by telephone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded. Such decision may not be appealed. Such termination decision must also be accompanied by a clear explication to the former Subject State Organization Members of the alternatives available to them regarding any possibilities for a State Organization restructure/reorganization, new State Organization bylaws, new State Organization board election, or other options and the terms for such alternatives.

### **C. Decision to Terminate Affiliation**

In the event of its decision to terminate affiliation of the Subject State Organization, the AAUW board, at its sole discretion, may decide whether to allow its affiliation termination decision to be appealed by the Subject State Organization ("Termination Decision Appeal"). Such decision to consider appeal will be made by a majority vote of the AAUW board at a

meeting in which no fewer than 12 of its members are present or by the unanimous vote of the full AAUW board if conducted by telephone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

*Notification of decision to terminate affiliation.* Notification of the AAUW board's Reparative Action Review decision to terminate the Subject State Organization's affiliation with AAUW effective immediately must be sent by the AAUW board secretary to the Subject State Organization Members and the Requesting Member by Certified Mail or verifiable alternative within four days of the AAUW board's decision. Such notification must include whether or not the board will consider an appeal to its decision and, if so, the terms and conditions under which the board may consider an appeal.

*Appeal of Decision to Terminate Affiliation.* The AAUW board, at its sole discretion, may allow its affiliation termination decision to be appealed by the Subject State Organization ("Termination Decision Appeal"). Such decision to consider appeal will be made by a majority vote of the AAUW board at a meeting in which no fewer than 12 of its members are present or by the unanimous vote of the full AAUW board if conducted by telephone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded.

*Decision to terminate without appeal.* If the AAUW board, in its sole discretion, decides not to provide the Subject State Organization the opportunity to submit an appeal to its affiliation termination decision, the termination will be considered final.

*Decision to terminate with option to appeal.* If the AAUW board, in its sole discretion, decides to provide the Subject State Organization the opportunity to submit a Termination Decision Appeal, the procedure must include the following:

- a. The board must stipulate the timing, terms, and conditions for the appeal.
- b. The Subject State Organization must submit a request for appeal within 30 days of the postmark date of the AAUW board notification.
- c. The Subject State Organization will be suspended for the period that extends from the time of the board's decision to consider an appeal until a decision on the appeal is rendered by the AAUW board.
- d. The AAUW board, at its sole discretion, may or may not request a further interview with the Subject State Organization as part of its decision to consider a Reparative Action Decision appeal, and failure to comply with such request if proffered would terminate the option to submit an appeal.

*Termination if no request for appeal has been submitted timely.* Following the expiration of the 30-day period the AAUW board has allowed for receipt of any request for appeal, if no Appeal Request has been submitted, the AAUW board decision to terminate the Subject State Organization from AAUW will stand. Notification of the AAUW board's Final Decision must be sent by the AAUW board secretary to the Subject State Organization Members by Certified Mail or verifiable alternative within four days of the AAUW board's Final Decision to terminate the former affiliation status of the Subject State Organization effective immediately. There can be no further appeal.

Therefore, all the Subject State Organization's rights as an affiliate of AAUW shall cease upon being terminated from membership. Any AAUW State Organization that is terminated from affiliation with AAUW is prohibited from engaging in AAUW activities at any level, from using any form of AAUW's name or logo, and from restructuring, reorganizing, or reforming the State Organization unless specifically authorized in the AAUW board's Final Decision.

*Terms for Appeal of Board Affiliation Termination Decision (if accepted by the board).* If the Subject State Organization submits a timely, written request for appeal ("Appeal Request") in making its decision whether to accept an affiliation termination decision, the AAUW board will consider

- a. whether there is credible evidence that the actions that were the basis of the decision to terminate the Subject State Organization from affiliation will not recur;
- b. whether there is new and relevant information sufficient to change its decision to terminate the Subject State Organization from affiliation;
- c. whether there are any other reasons to rescind, modify, condition, or delay action; and
- d. other factors, as long as the decision of the board regarding acceptance or rejection of the Appeal Request includes a statement of other factors material to its decision.

*Board action on an appeal request.* If the board rejects the Appeal Request, the affiliation termination decision is immediately effective. If the Appeal Request is granted, the appeal will proceed at the earliest date set by the board and no more than 30 days after the board's decision to grant the Appeal Request. If granted, the Subject State Organization members will be notified within four days of the decision to grant an appeal, and it will be conducted under the terms and conditions stipulated by the board.

#### **VIII. Final Decision of the AAUW Board**

At the termination of the appeal (if applicable), the AAUW board will render a Final Decision immediately. The Final Decision requires a majority vote of the AAUW board at a meeting in

which no fewer than 12 of its members are present or the unanimous vote of the full AAUW board if conducted by phone. If the vote is to be taken by telephone, all board members must be able to be heard by each other, and the votes of each must be identified by voter and recorded. If there are opportunities for restructure, reorganization, or other State Organization reformation, the terms and/or conditions under which these opportunities may be considered, they are to be stipulated in the AAUW board Final Decision to terminate the affiliation status of the former State Organization.

*AAUW Rights if the Final Decision of the Appeal Reinstates the Subject State Organization.*

If the Subject State Organization is reinstated by the Final Decision of the Board through the appeal process, the State Organization's affiliation status is fully restored, and the matter is closed.

*AAUW Rights if the Subject State Organization Is Terminated from Membership.*

All the rights of Subject State Organization as an affiliated entity of AAUW shall cease upon being terminated from affiliation. Any AAUW State Organization terminated from affiliation with AAUW is prohibited from engaging in AAUW activities at any level, from using any form of AAUW's name or logo, and from restructuring, reorganizing, or reforming another AAUW affiliate unless specifically authorized in the AAUW board's Final Decision.

**A. Final Decision Notification**

Notification of the AAUW board's Final Decision must be sent by the AAUW board secretary to the Subject State Organization Members by Certified Mail or verifiable alternative within four days of the AAUW board's Final Decision to terminate the former affiliation status of the Subject State Organization effective immediately. There can be no further appeal.

**IX. Consequences of AAUW Affiliation Status Termination**

**A. Continuing Obligations of a Former Subject State Organization**

Affiliation termination effectively terminates the Affiliation Agreement with AAUW through which the former State Organization qualified for its nonprofit status as a subordinate affiliated entity of AAUW and terminates its inclusion in the AAUW Group Tax Exemption (if applicable). A terminated State Organization is obligated to file all appropriate legal documents affirming termination of its affiliation from AAUW, including those related to its state certificate of incorporation and to its federal nonprofit status.

Terminating a State Organization from affiliation shall not relieve such former state organization, its members, or branches within that state of any existing obligations to AAUW or of its obligations to the state in which it has operated as a nonprofit organization or to the IRS, which granted it nonprofit status as a subordinate entity of AAUW, or of any other legal obligations.

**B. Obligation of AAUW Affiliates with Respect to the Terminated State Organization**

If an AAUW affiliate should decide not to recognize the termination of the former AAUW State Organization, and to continue its affiliation with the former Subject State Organization, such continued affiliation will be treated as provocation for disaffiliation of that affiliate.

**X. AAUW Member Status after State Organization Affiliation Termination**

Terminating a State Organization from affiliation does not terminate the members from their membership in AAUW, nor does it terminate the AAUW members' affiliation with any branch in which they have membership. Disaffiliation of the State Organization also does not disaffiliate any branch from its affiliation with AAUW. Branches formerly affiliated with a disaffiliated former AAUW State Organization may apply to the AAUW board for its consent to

- restructure, reorganize, or reform their State Organization under the terms/conditions stipulated by the AAUW board if and only if that alternative was presented with the AAUW board's Final Decision, or
- organize a new AAUW affiliate, which the AAUW board may grant or not at its sole discretion.

### DISSOLUTION OF AN AAUW AFFILIATE

Approved by the AAUW Board of Directors January 2015, June 2016, June 2017, June 2018, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

In recognition that AAUW affiliates sometimes contemplate dissolution, this policy addresses the challenges of assisting AAUW affiliates to remain viable and/or to undertake appropriate actions to dissolve while remaining faithful to the mission and to the intent of present and past members and donors.

1. An AAUW affiliate that contemplates dissolution should contact its state organization for support in reviewing strategies to prevent dissolution.
2. After exhausting alternatives to dissolution, the affiliate shall contact the national office staff for guidance on the appropriate actions to take to dissolve while remaining faithful to the AAUW mission and to the intent of present and past members and donors.
3. After the dissolution is finalized, whether through formal dissolution procedures or because the affiliate has already ceased to exist because of lack of participation, activity, or IRS compliance, all remaining property and assets will be transferred and delivered to AAUW or to an AAUW affiliate designated by AAUW as noted in the [AAUW Bylaws](#). If applicable, the affiliate being dissolved needs to file all dissolution documents required by state and IRS regulations.
4. The AAUW chief executive officer or managing director must approve of the dissolution. The AAUW Board of Directors will be notified of the dissolution.



### AAUW STUDENT ORGANIZATIONS

Approved by the AAUW Board of Directors July 2009, June 2011, July 2011, May 2014, March 2015, February 2016

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

AAUW encourages the formation of student organizations to promote AAUW’s mission on campuses. The members of these organizations are student associates. Student organizations may be established on an AAUW college/university (C/U) member or non-C/U member campus.

Student organizations may host programs, fundraisers, membership drives, and any other appropriate activity to foster AAUW’s goals. The student organization will maintain contact with AAUW directly and with other affiliates, if applicable. Student organizations are not separate AAUW legal entities and therefore are not required to sign an affiliate agreement.

All activities of the student organization will foster the advancement of equity for women and girls through advocacy, education, philanthropy, and research. The policies and program of AAUW shall be binding on all student organizations and no student organization shall use the name of AAUW to oppose such policies or program.

## AAUW AFFILIATE COMPLIANCE

Approved by the AAUW Board of Directors June 2019

Note: In all AAUW policies the term “AAUW” refers to the nationwide organization.

AAUW affiliates sign a legal contract, the Affiliate Agreement, with AAUW. This agreement states that AAUW affiliates must conform to AAUW governing documents on all material matters contained therein as well as to federal law, District of Columbia corporate law, and Internal Revenue Code regulations. Mandatory changes to any of these documents by AAUW or as the result of membership vote are distributed to affiliates with a specific timeline for conformance.

Significant risk to AAUW and its affiliates may result from an affiliate’s noncompliance with AAUW’s governing documents. AAUW has represented to the IRS that each affiliate will sign the IRS-approved Affiliate Agreement, which stipulates that bylaws, Articles of Incorporation, or other organizing documents of affiliates must remain consistent in all material respects with the AAUW Bylaws. The noncompliant affiliate risks loss of its nonprofit status under IRS regulations.

AAUW affiliates that are not in compliance with AAUW governing documents, federal law, District of Columbia corporate law, and Internal Revenue Code regulations are subject to termination of affiliation following AAUW procedures and/or to other actions as determined by the AAUW Board of Directors.

### **Governance Procedure for Compliance with Governing Documents**

This procedure provides a mechanism by which AAUW may promote affiliate compliance with mandatory changes to governing documents in a timely fashion.

- A. The mandatory conformance memo is forwarded to the president/administrator with a 60-day implementation deadline.
- B. Reminders to amend bylaws in compliance with the conformance memo are sent at 30 days.
- C. After the 60-day deadline, the compliance plan is implemented for noncompliant affiliates beginning with a 30-day probationary period.
  1. An AAUW staff member designated by the CEO (“Staff Lead”) notifies the AAUW Governance Committee, the AAUW Board of Directors, the AAUW chief executive officer, the AAUW advancement & partnerships department, the state affiliate president, and the affiliate(s) and its members of noncompliance in writing, where possible via electronic communication.

2. The affiliate is placed on probation commencing with the date of the notification to the affiliate.
  - a. During the probationary period, affiliates may not use the AAUW name or logo, membership lists, or any form of AAUW intellectual property in any affiliate activities such as marketing or public forums.
  - b. Affiliate fundraising activities and financials will be reviewed.
  - c. If an affiliate is found to be in violation of the terms of probation the Governance Committee chair and/or the Staff Lead shall notify the affiliate that recommendation for immediate termination of affiliation is being sent to the board of directors.
  - d. The probationary period ends on receipt of conforming bylaws.
3. During the probationary period, a member of the AAUW Governance Committee is assigned to guide the affiliate through making mandatory changes to the affiliate bylaws.
  - a. Regular documented communication will be held to review affiliate progress.
  - b. The affiliate is provided with a detailed procedure to remedy noncompliance and is reminded of the result of continued noncompliance.
- D. At expiration of the probationary period, the AAUW Staff Lead reviews the affiliate's governing documents to determine if they are compliant. If so, the probationary period ends. If the affiliate's documents are not in compliance, the AAUW Staff Lead may recommend that the AAUW Governance Committee extend the probationary period by 30 days.
- E. If at the end of the probationary period the affiliate continues to be noncompliant, or if at any time representatives of the affiliate overtly refuse to become compliant, the AAUW Governance Committee will recommend to the AAUW Board of Directors appropriate actions to achieve compliance or termination of affiliation.

## AAUW GIFT ACCEPTANCE POLICY

Approved by the AAUW Board of Directors July 2014 (version 20), February 2016, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

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## I. INTRODUCTION

The AAUW Gift Acceptance Policy is designed to help donors who support AAUW and in rare cases, the AAUW Action Fund. This document addresses matters relating to the planning, promotion, solicitation, receipting, acceptance, acknowledgment, and disposition of gifts. All gifts are to be accepted in accordance with these guidelines.

AAUW and the AAUW Action Fund actively seek gifts to fulfill their important missions. All references to AAUW in this document refer to the two corporate entities of AAUW. AAUW acknowledges that not all gift assets and vehicles discussed in this document are appropriate for the Action Fund, which is a 501(c)(4) membership organization, while AAUW is a 501(c)(3) organization.

## II. GENERAL GUIDELINES

- All gifts accepted by AAUW shall conform to all applicable tax laws and regulations, in particular those affecting nonprofit organizations and charitable giving.
- All gifts accepted by AAUW shall be recorded and receipted in accordance with IRS regulations and internal guidelines.
- Flexibility will be maintained regarding gift acceptance, since some gift situations may be complex, and proper decisions can be made only after careful consideration of all relevant factors. The merits of a particular gift may require extensive evaluation by appropriate staff or board committee or, when necessary, by outside advisers.
- Gifts to AAUW can be restricted or unrestricted, depending on the specific instructions of the donor. Gifts without instructions are presumed to be unrestricted.
- Unless the donor gives specific instructions otherwise, gifts to AAUW from an AAUW branch member shall be credited to the fundraising efforts of the donor's branch and/or state (with the exception of bequests and other deferred or planned gifts)
- All gift agreements that are intended to provide income into the future, specifically deferred gifts or gifts intended for the endowment, will include language allowing for the possibility that any restriction outlined in the agreement may be changed in the event that AAUW may not be able to abide by the restriction in the future. Such gift language will permit the AAUW board members to apply the gift proceeds or the gift's income to a program as close to the original intention of the donor as possible as determined solely by the board of the organization to which the gift is made.

Also, for the reason described above, donors who designate a bequest for a specific purpose are asked to permit flexibility for its use, through language in the will, to the board of the organization to which the gift is made.

- Donors are encouraged to clearly identify AAUW and are asked to state the name of the charitable organization, the address, and the organization's IRS-issued tax-exempt Employer Identification Number (EIN):

**AAUW**

1310 L St. NW  
Suite 1000  
Washington, DC 20005

**EIN: 52-6037388**

AAUW is a 501(c)(3) organization, and donations are tax deductible as permitted by law.

**AAUW Action Fund**

1310 L St. NW  
Suite 1000  
Washington, DC 20005

**EIN: 53-0025390**

The AAUW Action Fund is a 501(c)(4) organization, and donations are not tax deductible.

### III. OUTRIGHT GIFTS

Outright gifts are those gifts that are placed at AAUW's immediate disposal and in which the donor retains no interest.

#### A. Cash and Checks

1. Cash gifts are acceptable in any form, including by check, money order, wire transfer, or credit card.

#### B. Publicly Traded Securities

1. Gifts of publicly traded securities — stocks that are traded on the open market and are available to all investors — in negotiable form shall be accepted.
2. When the donor has physical possession of the stock certificate, the donor can
  - endorse the stock certificate on the back and hand-deliver the stock certificate to AAUW; or
  - mail the unendorsed stock certificate to AAUW by registered mail and separately mail an executed stock power form (a stock power form, a legal document that the

donor signs to transfer ownership of the stock, is available from the development office); or

- take the stock certificate to a bank or brokerage house to be converted into an electronic transfer (see item 3, below).
3. When the donor's stock is in a street account at a bank or brokerage house, the donor can direct her or his broker to make a gift by electronic transfer directly to an AAUW account. Donors should contact the advancement staff for the appropriate stock transfer account information. Staff will try to obtain the donor's name, the name of the stock, the number of shares, and the day and time the transfer.
  4. Stock gifts shall be sold by AAUW's finance office in accordance with AAUW's finance policies. Exceptions may be made with the approval of the AAUW Investment Committee.
  5. Stock gifts are credited in accordance with IRS regulations at the mean value on the date of the gift. When the stock is electronically transferred, the day of the gift is the day the stock is received in an AAUW account. When the stock is sent through the U.S. Postal Service, the day of the gift is the day of the postmark on the envelope in which the stock is sent.

**From IRS Publication 561: Selling prices on valuation date.** If there is an active market for the contributed stocks or bonds on a stock exchange, in an over-the-counter market, or elsewhere, the FMV [fair market value] of each share or bond is the average price between the highest and lowest quoted selling prices on the valuation date. For example, if the highest selling price for a share was \$11, and the lowest \$9, the average price is \$10. A donor calculates the average price by adding \$11 and \$9 and dividing the sum by two.

6. AAUW will send a receipt in a timely manner to the donor. The receipt letter notes the name of the stock, the number of shares gifted, the date the stock was received (if electronic) or postmarked (if mailed), and whether any goods or services were provided by AAUW to the donor in exchange for the gift. The letter also describes the gift's value as understood by AAUW staff: the stock's high and low values on the day of transfer or postmark and the mean value (as described above). While AAUW provides this information as known to AAUW, the donor is encouraged to consult a tax advisor.
7. The mean average value of the stock multiplied by the number of shares is the total gift amount posted to the donor's record and credited to the donor's branch and state.

### C. Closely Held and Restricted Securities

Gifts of closely held and restricted securities (similar to closely held securities, these stocks may not be sold on the open stock exchange) shall be accepted only after favorable evaluation by the appropriate staff and, when necessary, outside advisers. Appropriate staff includes the chief executive officer and heads of finance, advancement and planned giving.

1. Staff is encouraged to explore options for sale but is not authorized to make any commitments with a donor prior to acceptance of the gift of securities.
2. Before closely held securities are accepted, the fair market value shall be determined and methods of liquidation shall be explored. Valuation shall be the responsibility of the donor. In the absence of a recent sale, the fair market value of the gift shall be determined by an acceptable authority.
3. If the value of the gift is determined to be \$5,000 or more, an IRS-required appraisal must be conducted, **the expense of which AAUW will ask the donor to pay**. If the donor will not pay for the appraisal, AAUW may in some instances bear the cost. This is extremely rare, however, and is permitted only when the chief executive officer and heads of finance, advancement and planned giving determine that the value of the gift and the circumstances warrant such an exception. (Exceptions may include the donor giving up life interest in a charitable gift annuity or reducing value via receipting.)
4. AAUW will send a receipt in a timely manner to the donor. The receipt letter notes the name of the stock, the number of shares gifted, the date the stock was received (if electronic) or postmarked (if mailed), and whether any goods or services were provided by AAUW to the donor in exchange for the gift. While AAUW provides this information as known to AAUW, the donor is encouraged to consult a tax advisor.
5. Gifts of closely held stock will be credited at the per-share cash purchase price of the most recent transaction, normally the buy-back transaction of the donor. If no buy-back is consummated, a gift of closely held stock may be credited to revenue totals at the value determined by a qualified independent appraiser.
6. Gifts of restricted securities may be accepted if there is no reference to partnership interest. Restricted securities that are limited may be accepted with the consensus of the chief executive officer and heads of finance, advancement, and planned giving, in consultation with outside advisers as appropriate. Accepted securities will be receipted, and the donor will be given credit according to applicable IRS regulations.

#### **D. Real Estate**

1. AAUW accepts gifts of real estate. Gifts of real estate shall be accepted by AAUW only after a favorable evaluation by the chief executive officer, and heads of finance, operations, advancement and planned giving in consultation with outside advisers. The



donor will be informed that AAUW cannot commit to hold on to real estate for an extended period of time.

2. Potential gifts of real estate shall have a net minimum value of \$100,000 or more to merit consideration for acceptance.
3. Staff members will visit the site of the potential gift of real estate to assess site and ensure that the level of the risk or liability associated with the property is at acceptable levels and whether there is enough value to be worthwhile. AAUW will obtain a copy of the deed to confirm ownership before the gift is complete.
4. In the event that the potential gift of real estate is evaluated favorably for acceptance, depending on the value and desirability of the gift to AAUW, the donor will be asked to pay for the following: the appraisal cost, ongoing maintenance costs, real estate taxes, insurance, closing costs, and real estate brokers' commissions and other costs of the transaction. In circumstances where the donor declines to pay these costs AAUW will determine on a case-by-case basis if the property is worth the aforementioned expenditures.
5. AAUW reserves the right to disclaim a gift of real estate, as determined by the chief executive officer, and heads of finance, advancement, operations, and planned giving in consultation with outside advisers.
6. Although donors must realize that it is often in AAUW's interests to sell real estate as soon as possible, AAUW will make every good-faith effort to sell donated real estate at the highest price possible.
7. When a donor wishes to fund an endowment project with real estate and the gift's fair market value is different from the actual proceeds of a gift, the net proceeds, after expenses are subtracted, will be used to determine if the funding level of an endowment project gift is sufficient. This is because gifts of real estate often are less valuable — and by a large amount — than the appraised value. In this case, donors will be expected to supplement their gifts with cash or other means to realize the funding level of the endowed project. If the donor cannot supplement their gift to realize the funding level of the endowed project, the proceeds of the gift will be classified as unrestricted endowment.

#### **E. Life Insurance**

1. Gifts of life insurance shall be accepted when AAUW is named the owner and beneficiary of the policy.
2. AAUW will evaluate insurance gifts once the gift is complete. For this reason, donors of paid-up life insurance policies should identify the designation of the gift upon transfer.

3. Because the value of new policies is contingent on the continued payment of premiums by the donor, a donor's gift designation will be subject to the rules in effect at the time the policy's proceeds are received.
4. Even though the gift is not complete when AAUW is only the revocable beneficiary of a life insurance policy, AAUW has no objection to being designated as the beneficiary.
5. AAUW does not accept gifts from donors for the purpose of purchasing life insurance on the donor's or anyone else's life.
6. Acknowledgment and gift crediting shall be as follows:
  - In the case of paid-up policies, gift credit will be given for the cash surrender value of the policy. The donor, however, will receive a letter acknowledging receipt of the policy, and it will be her or his responsibility to determine and document the value of the policy for purposes of claiming a deduction.

In the case of new policies, only the value of those gifts made to cover the cost of premiums will be credited and will be receipted as any other outright gift. These crediting procedures will apply only if the policy names an AAUW corporation as both the owner and irrevocable beneficiary.

#### **F. Tangible Personal Property**

1. Gifts of tangible personal property shall be accepted only after favorable evaluation by the chief executive officer, and heads of finance, operations, advancement and planned giving, and, when necessary, outside advisers.
2. No representation shall be made to the potential donor of a gift of tangible personal property regarding the length of time it will be held by AAUW, except where AAUW intends to retain ownership for an extended period of time for related use.
3. Outright gifts of tangible personal property for which the donor qualifies for a charitable deduction will be credited and recognized at the appraised value of the property at the time it is transferred to AAUW, less any encumbrances. The qualified appraisal of the gift of tangible personal property is the responsibility of the donor. The IRS requires an appraisal if the value of the gift is \$5,000 or more.

#### **G. Other Property**

Gifts of other property of any description, including, but not limited to, copyrights, royalties, and licenses, shall be accepted only after favorable evaluation by the chief executive officer

and heads of finance, operations, advancement and planned giving, and, when necessary, outside advisers.

#### **H. Matching Gifts**

Matching gifts are monetary gifts made by a corporation or foundation that match a gift from an individual donor.

1. AAUW shall accept matching corporate or foundation gifts for outright gifts.
2. AAUW shall actively encourage members and other constituents to make matching gifts to AAUW.
3. The matching gift corporation or foundation dictates the gift designation; the organization may or may not request that the gift be designated in the same manner as the donor's gift.
4. AAUW will send all supporting tax-status documentation to corporations and foundations with the matching gift application.
5. The donor will receive an acknowledgment letter stating that AAUW has received her or his matching gift request. The matching corporation will receive a receipt for the gift. If the request is approved the donor will be copied on the acknowledgment letter sent to the corporation or foundation.
6. When applicable, AAUW will credit the donor's primary branch and state for the matched gift. This amount shall be recorded in the corporate or foundation record.

#### **I. In-Kind Gifts**

In-kind gifts are non-monetary gifts, more commonly made by corporations to extend their philanthropic resources.

1. AAUW will accept in-kind gifts after favorable evaluation by the heads of advancement and operations.
2. AAUW provides a receipt that describes the in-kind gift. AAUW cannot provide a valuation of the in-kind gift for the donor. For internal accounting purposes only, however, AAUW asks that the in-kind donor provide an estimated value of the in-kind gift along with supporting documentation whenever possible.
3. For all in-kind gifts, donors receive a thank you letter from the appropriate staff.

4. Companies that have contributed in-kind gifts may receive public recognition for their contributions at the event in which they are participating.

#### **J. Private and Government Grants**

AAUW may accept gifts and grants from private companies and governments. Grant money from organizations whose products or endorsements are in conflict with the mission and values of AAUW will not be solicited or accepted.

#### **K. Giving Circles**

1. Giving circles may support up to 2 specific projects or events per fiscal year based on the group's consensus. Giving circles are composed of individuals, branches, or states that pool their resources to support a specific project.
2. Giving circles are established in conjunction with the head of advancement after careful review of the needs of AAUW.
3. A minimum of \$50,000 is required within two years of establishing a giving circle. If the funding goal is not achieved within that time, the funds collected will be placed in unrestricted support. After the two-year period, should individuals choose to renew their purpose, they can do so in consultation with AAUW development staff. In all cases fundraising projects will include a beginning and an end date by which the funds are to be raised.
4. Individuals designated by each group will work with the development staff to identify a project for their support. The development staff will provide general information on how to establish and run a giving circle.
5. Development staff will establish a designation number for the giving circle to track the members' contributions and will provide reports on the progress of the fund as needed.
6. At the conclusion of the event or project, the appropriate staff will report back to the giving circle on the outcomes and findings of the funded project.
7. The giving circle project will be noted in various publications for its support of the project or projects. Individual members will be receipted and acknowledged for their gift in the same manner as other donors.

#### **IV. DEFERRED GIFTS**

Deferred gifts are committed gifts, either revocably or irrevocably, but which will not be received by AAUW for some years, usually at the end of the donor's or another person's lifetime.

**A. Bequests**

1. AAUW shall actively encourage donors and other constituents to make bequests through their wills, living trusts, or other estate planning vehicles.
2. Bequest gifts are generally not complete until after the death of the donor, when her or his estate is administered and settled. The head of planned giving and other senior development staff shall work with the donor's executor or personal representative and others as necessary and appropriate to ensure timely estate distributions to AAUW.
3. When the language of a bequest restricts the gift to a specific project, the gift will be subject to the applicable rules and funding levels at the time the funds are received. If the amount received is insufficient to fund the project, AAUW reserves the right to apply the gift's income to a project as closely aligned as possible, as determined by the staff.
4. No one employed by AAUW shall serve as the executor of the estate of a donor.
5. AAUW shall not serve as executor of an estate or will. If a donor wishes to name AAUW as the executor, we recommend that they place wording in their plans giving AAUW the authority to recommend the executor or trustee.
6. An AAUW branch that is specifically designated as the beneficiary of a bequest gift shall be contacted by the head of planned giving and advised of this. If a branch does not have 501(c)(3) status and if it is determined that the donor desired an estate tax deduction, efforts will be made to direct the gift to the appropriate AAUW entity. In that event, two of the branch officers — the president and one other officer — must sign a release form stating that the branch is relinquishing its right to the gift.

**B. Pooled Income Fund Gifts**

AAUW does not accept gifts for pooled income funds.

**C. Charitable Gift Annuities**

1. Charitable gift annuities are contracts between AAUW's 501(c)(3) entity and a donor. In exchange for a gift, no more than two annuitants receive fixed payments for their lifetimes. AAUW offers immediate payment charitable gift annuities, deferred payment charitable gift annuities, and flexible deferred gift annuities as part of AAUW's overall planned giving program.
2. An immediate payment charitable gift annuity provides payments beginning within one year of the contribution. A deferred payment charitable gift annuity provides payments

beginning at least one year after the date of the contribution, usually several years after.

3. On behalf of AAUW a corporate fiduciary manages the assets contributed through its charitable gift annuity program and makes quarterly payments to the annuitants.
4. AAUW follows the payout rates recommended by the American Council on Gift Annuities and implements new rates within a reasonable period of time. Exceptions may be made by the head of advancement.
5. The minimum gift required to establish a charitable gift annuity is \$10,000.
6. Cash, publicly traded securities, or other easily liquidated assets are the only acceptable assets that may be used to establish a charitable gift annuity.
7. Though AAUW does not encourage donors to designate the remainder value of their charitable gift annuity, donors may direct AAUW to do so. Donors may designate their gift to fully name a project if the IRS-calculated remainder value equals or exceeds the cost of that project at the time the gift annuity is established.
8. No annuitant of an immediate payment charitable gift annuity shall be younger than 75 years old.
9. The minimum age to establish a deferred payment charitable gift annuity or flexible deferred gift annuity shall be 50 years of age. No annuitant of a one-life deferred charitable gift annuity shall be younger than 75 years old when payments begin.
10. No representation shall be made that could be construed as marketing gift annuities as an investment program.
11. Charitable gift annuitants will receive a thank-you letter from AAUW. The necessary documentation of the tax-deductible portion of the gift, however, shall be provided by the corporate fiduciary administering the annuity programs.

#### **D. Charitable Trusts**

1. AAUW strongly and actively encourages prospective donors and constituents to establish charitable remainder trusts and charitable lead trusts as a tax-advantaged method of making gifts to AAUW. At the request of the prospective donor, the head of planned giving shall provide the donor with appropriate information and assistance in establishing charitable trusts.
2. AAUW recognizes that charitable trusts should be established by the donor in consultation with her or his own legal and financial advisers.

3. AAUW further recognizes that charitable trusts should be managed and administered by commercial firms that specialize in working with charitable trusts.
4. If AAUW serves as trustee of the trust, the minimum gift amount to establish a charitable trust is \$100,000.
5. In instances where AAUW is the designated remainderman of the trust, when appropriate and desired, AAUW may act as co-trustee along with the designated AAUW trust asset management and administration company.
6. The trust administrator will perform all the administrative duties of the trust, to include providing the necessary tax documentation to the donor and AAUW on a yearly or as-needed basis.
7. Donors may direct AAUW to designate the remainder value of their charitable remainder trusts. Donors may designate their gift to fully name a project if the IRS-calculated remainder value equals or exceeds the cost of that project at the time the charitable remainder trust is established.

#### **E. Retained Life-Estate Gifts**

1. All potential gifts of a retained life estate shall be subject to the guidelines for gifts of real estate as described above (see section III.D).
2. Gifts of a retained life estate shall be limited to the personal residence, personal vacation home, or farm that includes a personal residence of the donor. Exceptions may be made by consensus of the chief executive officer and heads of finance, advancement, and planned giving.
3. Gifts of a retained life estate, when favorably evaluated and accepted, shall be gifted under a contract, known as the retained life-estate agreement, between AAUW and the donor. The contract shall provide for the donor to irrevocably relinquish the ownership of the donor's personal residence to AAUW in exchange for the right to use and enjoy the property for the donor's lifetime or for a term of years. The contract shall provide for the donor to remain responsible for all maintenance of the property, property taxes, and liability insurance.
4. Donors may direct AAUW to designate the remainder value of their retained life-estate gift. Donors may designate their gift to fully name a project if the IRS-calculated remainder value equals or exceeds the cost of that project at the time the retained life-estate gift is established.

#### **F. Life Insurance**

Although typically AAUW cashes in a life insurance policy upon receipt, if the donor so desires, AAUW will accept life insurance policies that are intended to be held until the donor's death. The donor must donate the policy in such a way that AAUW is the owner and irrevocable beneficiary of the policy's proceeds.

Upon receipt of a life insurance policy AAUW will request "in-force" illustration of that policy. This will allow AAUW to better determine what should be done with the policy.

AAUW does not encourage life insurance policies to be taken out explicitly to give to AAUW. However, if a member wishes to do so we will accept a gift. The best life insurance policies are policies that were taken out for a previous life insurance need for which the original purpose no longer exists.

### **G. Beneficiary Designations**

AAUW encourages prospective donors and constituents to designate AAUW as the beneficiary or contingent beneficiary of their donor advised funds, life insurance policies, commercial annuities, qualified retirement plans, "pay on death" bank accounts, "transfer on death" stock accounts, certificates of deposit, and other financial instruments that provide death benefits.

### **H. Funding Levels**

Donors may direct AAUW to designate the remainder value of their deferred gifts. Donors may designate their gift to fully name a project if the IRS-calculated remainder value equals or exceeds the cost of that project at the time the gift is established.

## **V. ENDOWMENT GIFTS**

1. AAUW donors may make current and deferred gifts that will be placed into AAUW's endowment. Gifts to the endowment are known as "permanently restricted gifts." AAUW does not encourage donors to restrict their gifts, but donors are permitted to specify the purpose of their gifts..
2. Permanently restricted gifts will generate an income to be put into the operating budget each year. The income is determined by the spending rule in place at the time the income is generated.
3. From time to time AAUW reviews and changes the funding levels for permanently restricted funds.
4. The amount of a permanently restricted gift may at times not be sufficient to realize the purposes of the donor. Except in the case of deferred gifts, unbeknownst to AAUW at



the time of establishment, AAUW will provide a statement to the donor indicating this and providing for alternatives in such an event.

5. Any amount gifted to AAUW on or after July 1, 2019 above the funding level of the endowment project will be placed in the unrestricted endowment.
6. The appropriate AAUW staff will determine if a bequest amount that is insufficient may still qualify as a named endowed fund or if the gift should be added to the general corpus of the endowment without a naming opportunity.
7. If the gift is restricted to a specific project and the amount received is insufficient to fund the project, AAUW reserves the right to add contributions from other donors or to apply the gift's income to as close a project as possible, as determined by the staff.
8. When the fair market value of a gift of publicly traded securities is different from the actual proceeds of a gift, the fair market value will be used to determine if the funding level of an endowment project gift is sufficient. This will be honored even though many stock gifts are realized at lower levels than the fair market value on the date of transfer. When the proceeds are higher than the funding level of the project, the difference will be placed into the unrestricted endowment.
9. When a donor wishes to fund an endowment project with real estate and the gift's fair market value is different from the actual proceeds of a gift, the net proceeds, after expenses are subtracted, will be used to determine if the funding level of an endowment project gift is sufficient. This is because gifts of real estate often are less valuable — and by a large amount — than the appraised value. In this case, donors will be expected to supplement their gifts with cash to realize the funding level of the endowed project. When the proceeds are higher than the funding level of the project, the difference will be placed in the unrestricted endowment.
10. Regardless of the original funding asset, any excess realized from gift annuities and charitable remainder trusts to fund a permanently or temporarily restricted endowment project will be placed into the unrestricted endowment. Should the realized amount fall short of the funding goal, AAUW will honor the naming opportunity for the donor. The amount required is determined by reference to the IRS-calculated remainder value, which needs to be equal to or more than the cost of funding the project at the time the gift is established.

## **VI. GIFT RECORDING AND STEWARDSHIP**

AAUW is responsible for good stewardship of the assets it receives from its donors. AAUW shall maintain accurate records and provide appropriate receipts and documentation to permit donors to avail themselves of all tax benefits to which they may be entitled.

**A. Determining the Date of Gifts**

AAUW will record the gift date as the date of deposit in AAUW's account.

**B. Gift Receipting**

1. All gifts shall be acknowledged within a reasonable period of time in accordance with IRS regulations, with a desired standard of two weeks from receiving the gift.
2. Receipts include the amount of gifts of cash and those made by check or credit card or, if the gift is property, a description of the gift. No value will be placed on receipts for gifts of property. The date of the gift is also included in the receipt. All gift receipts will inform the donor if she or he has received any goods or services from AAUW in exchange for the gift.
3. At the request of the donor, her or his name shall be considered for omission from all published lists and listed as anonymous. AAUW reserves the right to deny anonymity to any donor at their discretion.

**C. Memorial and Tribute Gifts**

1. When a donor gives a gift in memory of an individual, at the request of the donor AAUW will notify the family or a specified representative of the family of the gift with a memorial card (if a forwarding address is provided). There will be no mention of a dollar amount. Memorial gifts made online will be acknowledged electronically.
2. When a donor makes a gift to honor an individual, at the request of the donor AAUW will notify the honoree of the gift with an honorarium card, if a forwarding address is provided. There will be no mention of a dollar amount. Honorary gifts made online will be acknowledged electronically.
3. All memorial and tribute gifts shall be acknowledged to the donor by the advancement staff. Honor and memorial gifts made online will be acknowledged electronically.

**VII. ETHICAL ISSUES**

1. AAUW does not accept gifts that are inconsistent with its mission or gifts that involve unlawful discrimination based on age, disability, ethnicity, gender, gender identity, geographical location, national origin, race, religious beliefs, sexual orientation, or socioeconomic status.
2. Individuals representing AAUW shall be circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing or conflict of interest.

3. For all planned gifts, AAUW will advise the donor to consult with her or his own legal and tax advisers before acting.
4. All gifts to AAUW will be proposed, encouraged, and accepted in a form consistent with the known best interests of the donor.
5. No AAUW employee shall accept personal gifts of significance from donors, including gifts made via bequest. When an employee is told by the donor of her or his intentions to leave a personal gift, the employee shall inform the donor that the practice violates AAUW's ethical policies. If the donor makes the gift despite knowledge of this policy, the AAUW employee is encouraged to give the asset to AAUW. (To preserve the income tax deduction potentially available to the employee, AAUW encourages but does not require the employee to donate the assets of either cash or property. Gifts that are required to be made are not considered gifts by the IRS for deduction purposes.)
6. The guidelines set forth in this gift acceptance policy are in full compliance with the *Standards of Professional Practice* of the Association of Fundraising Professionals and with the *Model Standards of Practice for the Charitable Gift Planner* from the National Committee on Planned Giving.

## **AAUW FUNDRAISING POLICY**

Approved by the AAUW Board of Directors February 2013; Revised February 2014; Implemented July 1, 2014; Revised February 2016, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

### **Overview**

This policy is designed to assist AAUW-affiliated entities in raising funds to support AAUW’s mission. Fundraising procedures, Internal Revenue Service (IRS) regulations, and state laws change over time, and this document will help AAUW and all AAUW-affiliated entities stay current and preserve their nonprofit status.

The IRS views both the tax-exempt nonprofit status of AAUW and AAUW-affiliated entities and the tax deductibility of donations and membership dues to AAUW and AAUW-affiliated entities designated as 501 (c)(3) charities as gifts from taxpayers for our valuable work to advance our IRS-approved mission. We must protect these privileges by adhering to IRS regulations and individual state laws while furthering the purpose for which we were all approved — advancing AAUW’s mission.

### **Definition of Terms**

**AAUW.** The American Association of University Women uses the acronym AAUW to signify the nationwide organization with members throughout the United States and abroad. AAUW is identified by the IRS as the central organization of a group of nonprofit entities, 501(c)(4), 501(c)(3), or both. These organizations gain eligibility to use the AAUW name by (a) applying to the AAUW Board of Directors for affiliation approval, (b) signing the AAUW Affiliate Agreement, and (c) submitting their current, conformed bylaws to be housed at AAUW headquarters in Washington, D.C. Complying with these three requirements entitles each organization to use AAUW as part of its name to gain tax-exempt status<sup>1</sup> and to use the AAUW name in the conduct of its business and activities.

**AAUW-Affiliated Entities.** AAUW-affiliated entities are nonprofit organizations that have signed an AAUW Affiliate Agreement. Organizations applying to join AAUW submit applications (email [connect@aauw.org](mailto:connect@aauw.org)) for approval by the AAUW Board of Directors as a new “AAUW-affiliated entity.” All AAUW-affiliated entries must be designated by the IRS as nonprofit organizations and must file with the IRS annually, either through AAUW or independently. This includes branches, state organizations, and a category called Comparable AAUW-Affiliated Entities, which currently includes only the Younger Women’s Task Force ([www.aauw.org/membership/ywtf](http://www.aauw.org/membership/ywtf)).

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<sup>1</sup>[www.irs.gov/irm/part4/irm\\_04-075-024.html](http://www.irs.gov/irm/part4/irm_04-075-024.html)

**Informal Organizational Constructs of AAUW-Affiliated Entities.** The nationwide AAUW organization also includes many vibrant and vigorous entities, most often identified as interbranch or interstate organizations. While important to the functioning of our organization, none of these entities have independent AAUW status; that is, they neither sign AAUW Affiliate Agreements nor have IRS-designated nonprofit status. Typically, they are geographic constructs that coalesce the work of a number of branches/states to enhance impact and effectiveness.

Because such bodies are not AAUW-affiliated entities, any fundraising activities they undertake must be conducted under the auspices of their constituent AAUW-affiliated entities, and donors must be clearly informed whether their gifts are tax deductible and under which entity's status that deduction is authorized — that is, which 501(c)(3) AAUW-affiliated entity.

**AAUW Affiliate Agreement.** The AAUW Affiliate Agreement is the basic contract between AAUW — the 501(c)(3) “parent” organization of a group of “subordinate” entities — and each entity that chooses to become part of the AAUW national organization. The IRS required AAUW to submit two versions of the AAUW Affiliate Agreement for approval, one for 501(c)(3) charitable organizations and one for 501(c)(4) social welfare organizations.

The IRS requires that each AAUW entity (branch, state, multistate, YWTF, CWLEA), whether designated by the IRS as a 501(c)(3) or a 501(c)(4) entity, sign an AAUW Affiliate Agreement appropriate to its designation and send the signed agreement to AAUW headquarters for random IRS inspection. Regardless of any relationship between a 501(c)(3) and 501(c)(4) entity, each entity must maintain a separate legal designation status and each entity must individually sign the applicable AAUW Affiliate Agreement.

**Donor Intent.** A fundamental principle of charitable giving, “intent of the donor” relates to the donor’s expectations in providing a donation of money, goods, or services to a recipient. The IRS considers donor intent the primary determinant for the recipient organization’s use of a gift. For generations, courts have recognized respect for the intent of the donor as a critical factor in a wide range of legal matters, from the tax consequences of gifts to the beneficiaries of wills, trusts, and estates (see Section I.E).

## **I. Donations and Fundraising — AAUW’s Mission-Based Programs**

- A. Support for AAUW Programs.** AAUW-affiliated entities shall should consider financial support of AAUW’s charitable work to be their primary philanthropic priority.
- B. Fiscal Integrity.** All fundraising activities and financial management by AAUW and AAUW-affiliated entities must be conducted and communicated so as to uphold and reinforce high standards of fiscal integrity, accountability, and transparency.
- C. Use of the AAUW Name**

1. Funds raised using the AAUW name must go to support AAUW's national programs, activities, and services or other directly mission-related purposes. (See [AAUW Bylaws](#) [www.aauw.org/resource/bylaws-tool-kit/], Article III, "Use of Name," Sections 1–3.)
2. Funds raised using the name of the AAUW-affiliated entity must go to support programs, activities, and services of the AAUW-affiliated entity and/or AAUW. These programs, activities, and services must be directly related to AAUW's mission.

**D. Collaborations.** AAUW has always recognized the value of joining with other organizations, both nonprofit and otherwise, to raise awareness of issues and/or achieve common objectives.

1. Such efforts may help AAUW and AAUW-affiliated entities further our mission, make more effective and efficient use of our resources, and increase our visibility and impact.
2. The AAUW Collaborations Policy guides AAUW-affiliated entities in collaborations with other organizations. Collaborations that involve joint fundraising, dues payments, or direct support are likely to involve issues of donor intent, nonprofit status, and tax deductibility and, therefore, should be guided by the policy in order to protect members, donors, and entity tax status.

**E. Respect for the Intent of the Donor.** AAUW philanthropy is grounded in the fundamental principle of nonprofit fundraising and expenditure: respect for the intent of the donor. (See AAUW Policy 600, Collaborations with Other Organizations.)

1. Donors have a right to expect that their donations (or dues) to AAUW or AAUW-affiliated entities are raised and spent for AAUW mission-based programs, activities, and services.
2. Even if the donor is deceased, donations (or dues) must be expended as intended by the donor and are presumed to be used by the organization itself to further the AAUW mission unless a more specific designated use is clearly articulated.
3. Donors must be advised in advance of giving of the intended use of their donations. The stated use may be broad and general, such as to advance the AAUW mission, or more specifically directed to a particular AAUW project or program.
4. Specific donor designations for gifts must be adhered to. If a designation is not suitable for the organization, the donor must agree to an alternative use, or the organization will redirect the funds to the closest possible alternative. AAUW may

also refuse the gift if the donor or the designation is incompatible with AAUW's mission or too onerous to execute.

- F. Donor Confidentiality.** AAUW will not trade, share or sell a donor's personal information to anyone else, nor send donor mailings on behalf of other organizations, unless we have the donor's specific permission to do so.
- G. Fundraising for Other Charities.** Fundraising for other organizations or donating to other organizations at AAUW or AAUW-affiliated entity meetings and events or in AAUW or AAUW-affiliated entity publications is strictly prohibited.

## II. IRS Regulation of Contributions to Nonprofit Organizations as It Pertains to AAUW

- A. AAUW.** AAUW is designated by the IRS as a nonprofit 501(c)(3) charitable organization and is identified by the IRS as the parent organization of a group of "subordinate" AAUW-affiliated entities, both 501(c)(4) social welfare organizations and 501(c)(3) charities.
- B. AAUW Action Fund.** The AAUW Action Fund, a subordinate organization of AAUW (wholly controlled by AAUW), is designated by the IRS as a nonprofit 501(c)(4) social welfare organization through which AAUW supports member activism and voter mobilization.
- C. AAUW-Affiliated Entities.** These entities are a group of AAUW branches, state and multistate organizations, and the Younger Women's Task Force, all of which the IRS recognizes as AAUW-affiliated nonprofit entities — both 501(c)(4) nonprofit social welfare organizations and 501(c)(3) nonprofit charities.
  - 1. **IRS Status Designation.** All AAUW-affiliated entities receive their nonprofit status, whether 501(c)(4) or 501(c)(3), from the IRS as a "subordinate organization" of AAUW (the national organization).
  - 2. **501(c)(4) Organizations.** AAUW-affiliated entities designated as 501(c)(4) organizations do not pay federal taxes, but they are obligated to file documents annually with the IRS.
    - a. Most are obligated to pay taxes in their states and to pay sales tax.
    - b. Donations to these entities are not tax deductible.
    - c. The process for applying for IRS designation is not complicated, though it can be protracted.
    - d. These organizations may elect to have AAUW file annually with the IRS via the AAUW group tax exemption, but they are obligated to respond annually to

AAUW's request for updated submission data. Failure by the entity to file annually has penalties and may result in loss of nonprofit status.

3. 501(c)(3) Organizations. AAUW-affiliated entities designated by the IRS as 501(c)(3) charities also do not pay federal taxes, but they are obligated to file documents annually with the IRS.
  - a. Most are obligated to pay taxes in their states and to pay sales tax.
  - b. Donations to these entities may be tax deductible to the donor under conditions stipulated by the IRS.
  - c. Attaining 501(c)(3) designation is relatively complicated, may be protracted, may be expensive because application may require legal assistance, and is usually accompanied by a state incorporation requirement. The IRS prohibits AAUW from providing application assistance.
  - d. Annual IRS filing by the entity itself is required and complicated. The IRS prohibits AAUW from providing assistance. Failure by the entity to file annually has penalties and may result in loss of nonprofit status. Failure to file for three consecutive years will result in loss of nonprofit status.

**D. Informal AAUW-Related Organizations.** Other AAUW entities, such as interbranch and interstate councils, are not designated by the IRS as nonprofit entities, and they have not signed AAUW Affiliate Agreements. (See AAUW-Affiliated Entity definition, above.)

1. Despite their important AAUW roles, such entities are the constructs of their constituent branches/states and, therefore, have informal status.
2. To ensure protection of the IRS status of their constituent, AAUW-affiliated organizations, informal entities should take care in their functioning to avoid overstepping the role of an entity that is not independently IRS-designated as a tax-exempt nonprofit organization.

**E. AAUW Affiliate Agreement.** The IRS requires every organization it designates as a nonprofit subordinate entity of the AAUW national organization to sign an IRS-approved AAUW Affiliate Agreement appropriate to its nonprofit status designation.

1. Dual Designations. If an organization has two IRS-designated entities, that is, both 501(c)(4) and 501(c)(3),
  - a. The IRS requires that a signed Affiliate Agreement for each entity be housed at AAUW's national headquarters, accompanied by its current entity bylaws.
  - b. Each entity has annual IRS filing requirements, though the requirements differ for 501(c)(4) and 501(c)(3) organizations (see Section I.C).



2. Status Change. The IRS requires any change in nonprofit status to be reported to AAUW. A new signed Affiliate Agreement, accompanied by new entity bylaws, must be sent to AAUW's national headquarters for random IRS inspection.

**F. IRS Compliance.** AAUW and all AAUW-affiliated entities must comply with IRS regulations concerning the acceptance and use of all donations. (See IRS publications 526, Charitable Contributions [[www.irs.gov/pub/irs-pdf/p526.pdf](http://www.irs.gov/pub/irs-pdf/p526.pdf)], and 1771, Charitable Contributions: Substantiation and Disclosure Requirements [[www.irs.gov/pub/irs-pdf/p1771.pdf](http://www.irs.gov/pub/irs-pdf/p1771.pdf)], for full details.)

**G. Entity Donations.** The IRS prohibits financial donations (funds and other donations of material value, like stock, property, art, etc.) that are given by a 501(c)(3) organization to a 501(c)(4) organization. But the IRS does permit donations (funds) to be given by a 501(c)(4) organization to a 501(c)(3) charitable organization. Individuals may give personally to either one.

**H. Regulation of Fundraising Events.** The IRS and most states regulate nonprofit organization events, drawings, raffles, games of chance, auctions, and other activities in which participants stand to benefit by obtaining something of value for their participation. Representatives of each entity need to be informed about IRS and state requirements before holding such events and follow required procedures. (See IRS publications 1771 and 526; see AAUW Funds Fair Market Value Worksheet and Special Event Worksheet [.] )

**I. Contributions That Are Tax Deductible**

1. Donations to IRS-Designated 501(c)(3) Entities. Donations (and dues) made to AAUW and other AAUW-affiliated entities that are designated by the IRS as 501(c)(3) charitable organizations are tax deductible by the donor, less the value of any goods and services that the donor may have received as a result of making the contribution. Donors to 501(c)(4) entities may receive a gift for their contribution, but no part of the donation is tax deductible to the donor. (See IRS publication 1771, Goods and Services section, for guidance; see also AAUW Funds Fair Market Value Worksheet.)
2. Locally Collected AAUW Donations. If a gift intended for AAUW is collected by an AAUW-affiliated entity and forwarded to AAUW, the gift is considered tax deductible to the donor because the affiliated entity is acting as AAUW's fundraising agent.
3. Donation Deduction Substantiation. To claim gifts as tax deductions, donors must substantiate the gift with a receipt from the charity (AAUW or another 501(c)(3)-designated AAUW-affiliated entity), a copy of the canceled check, bank records, or other means of verification of the gift as determined by the IRS. Every member's 24-

month giving history, printable for tax-deduction verification, is posted on the password-protected AAUW Member Services Database.

4. Tax Advice. Donors are advised to consult their tax professional before making any deductions.

**J. Contributions That Are Not Tax Deductible**

1. AAUW Action Fund. Because the AAUW Action Fund is designated by the IRS as a nonprofit 501(c)(4) social welfare organization, contributions and dues received by the AAUW Action Fund are not tax deductible.<sup>2</sup>
2. Donations to IRS-Designated 501(c)(4) Entities. Contributions received by a 501(c)(4) entity are not tax deductible.
3. Donations to Individuals. A donation to benefit a specific individual who is selected by the donor is not tax deductible.
  - a. For a gift to be tax deductible, the donor must make the donation to a 501(c)(3) entity, and the donor may not influence the selection of the specific individual recipient. This requirement applies to recipients in a wide variety of contexts but most frequently arises in the context of scholarship recipient selection.
  - b. The recipient of an award may be selected from a pool of applicants or candidates qualified by established criteria, and the donor may participate in establishing the criteria, so long as the criteria are not so restrictive as to apply to a specific individual recipient.
4. Pass-Through Donations. A donation to AAUW or to any other 501(c)(3) AAUW-affiliated entity given with the condition that the donation is to be passed back to a 501(c)(4) AAUW-affiliated entity so that the donor can receive a tax deduction for this donation is prohibited by the IRS. Acceptance of such gifts would compromise the 501(c)(3) charitable status of AAUW and, potentially, the nonprofit status of AAUW's-affiliated entities.

For further information about fundraising credit, contribution submission, quarterly reports, and confidentiality, please see [Guidelines](http://www.aauw.org/resource/fundraising-policy-guidelines) (www.aauw.org/resource/fundraising-policy-guidelines).

For further clarification, please e-mail [connect@aauw.org](mailto:connect@aauw.org) to ensure that questions are directed to the appropriate source of information. For IRS-related issues, refer to the [IRS website](#) for

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<sup>2</sup>The IRS requires donation solicitations and acknowledgments to identify gifts that are not tax deductible. The gift acknowledgment should also tell the donor the portion of the amount received that is tax deductible, if any.

charities and nonprofits ([www.irs.gov/Charities-&-Non-Profits](http://www.irs.gov/Charities-&-Non-Profits)) or call the IRS nonprofit office at 877.829.5500.

## SCHOLARSHIP PROGRAMS OF AAUW AFFILIATES

Approved by the AAUW Board of Directors April 2014, February 2016

Note: In all AAUW policies the term “AAUW” refers to the nationwide organization.

### Overview

Although AAUW affiliates should consider financial support of AAUW’s national charitable work to be their primary philanthropic priority, some affiliates also provide financial support for local scholarships or awards for women and girls. These programs are important contributions to the community, they are valuable to the recipient, and they advance the AAUW mission. Clear guidelines and expectations for such programs are important and may have tax status implications for the affiliate and/or personal tax consequences for donors.

### Definition of Terms

**AAUW Affiliates.** AAUW affiliates are nonprofit organizations that have signed an AAUW Affiliate Agreement. All AAUW affiliates must be designated by the IRS as nonprofit organizations and must file with the IRS annually, either through AAUW or independently. This includes branches, state organizations, and Younger Women’s Task Force (YWTF) chapters. More information on AAUW affiliates can be found in [AAUW Fundraising Policy 501](#).

**Donor Intent.** Donor intent is a fundamental principle of charitable giving that relates to the donor’s expectations in providing a donation of money, goods, or services to a recipient. The IRS considers donor intent the primary determinant for the recipient organization’s use of a gift. Respect for the “intent of the donor” has been recognized by courts for generations as a critical factor in legal matters from tax consequences of current gifts to wills and estates. More information on donor intent can be found in [AAUW Fundraising Policy 501](#).

**Scholarship.** The term “academic scholarship” when used in this document indicates financial awards given to high school or college students to assist with their college attendance, whether those awards are given directly to the student or are provided on the AAUW affiliate’s behalf by a college or university. Academic scholarship as used here does not include an award for achievement in a science fair or competition; however, the amount of money awarded and the process used to select the recipient may have bearing on the applicable terminology.

**Award.** The term “award” when used in this document as a noun has to do with a sum of money or other tangible gift provided to a student for attainment of a stipulated achievement, such as receiving first place in a science fair or graduating at the top of a high school class. As with scholarships, the amount of money awarded and the process used to select the recipient may have bearing on the applicable terminology.

**Fellowship.** The term “fellowship” when used in this document applies to a sum of money awarded to fund graduate school or postgraduate work.

**Grant.** The term “grant” when used in this document applies to a sum of money provided to a qualified applicant to fund a program or project that meets previously established criteria.

## **Navigating IRS Regulations**

### **I. Basis for Scholarship Recommendations**

#### **A. Academic Scholarships, Awards, and Financial Awards for Specific Achievement or to Facilitate Program Participation**

1. Financial assistance for college/university attendance may be considered either an academic scholarship or an award. Scholarships tend to be larger and to have more rigorous criteria, whereas awards tend to be smaller and have fewer criteria (for example, a \$1,000 scholarship for a woman pursuing a STEM major versus a \$100 award for a high school valedictorian). Some AAUW affiliates sponsor programs for women and girls that recognize achievement or assist participation in particular programs, projects, or events. For example, these might include a \$100 gift for the top science student in a class, funds to help a student attend the National Conference for College Women Student Leaders, or funds to cover the cost of tuition at a STEM camp.

#### **B. Consider Selection Criteria, Recipient Monitoring, and Distribution Procedures**

1. Academic scholarships and awards are typically based on financial need, academic merit, or both.
2. Academic scholarships and awards may be offered by IRS 501(c)(3) public charities, 501(c)(3) private foundations, and 501(c)(4) social welfare organizations.
3. Most AAUW affiliates have 501(c)(4) status or 501(c)(3) status. Although there may be a relationship between a 501(c)(3) and 501(c)(4), each affiliate must be designated as a separate legal entity. Few, if any, are private foundations.
4. The amount that an affiliate plans to provide to each recipient may help the affiliate structure the program and help determine whether the program is a scholarship or an award program.
5. The implementation of the program determines the tax consequences of the program for the affiliate or the donor, not whether it is called a scholarship or an award or even the monetary value of the support.

## II. Local Scholarship/Award Programs, Affiliate Tax Status, and Tax Deductibility of Gifts

- A. Affiliate Tax Status.** The tax status of the receiving affiliate — 501(c)(3) charity or 501(c)(4) social welfare organization — determines the tax deductibility of a donation of any gift to support any local scholarship or award program. Unless the affiliate ultimately receiving the gift as intended by the donor is an IRS-designated 501(c)(3) charity, the donation is not tax deductible.
- B. Program Structure.** Program structure and implementation are equally important to the IRS, which sets the standards for scholarship programs and determines the deductibility of a donation.
- C. Standards for Awarding Scholarships.** The standards required of the academic scholarship programs of private foundations are viewed as the best-practice standards for all organizations with academic scholarship programs. Although private foundations are subject to more extensive legal requirements than are public charities or social welfare organizations in regard to awarding and tracking academic scholarships, the following guidance reflects those standards.

**III. Compliance and Quality.** To facilitate IRS compliance, ensure accountability and transparency, protect the affiliate’s tax-exempt status, and ensure program quality, AAUW recommends that all AAUW affiliates that fund academic scholarships adopt the following procedures.

- A. IRS Rules about Awarding Scholarships.** AAUW affiliates that have academic scholarship programs must establish, publish, and follow best practices in award criteria:
  - 1. Use a “blind” process. Academic scholarships must be awarded on an objective and a nondiscriminatory basis.
  - 2. Identify a charitable class. The group of eligible scholarship recipients must be sufficiently large to constitute a charitable class. A charitable class refers to an indefinite group of potential beneficiaries as opposed to a small group of identifiable individuals.
    - a. Qualified as a class. Examples include all high schools senior girls in our town or state and all female third-year students with a STEM major at the local university (donations may be tax deductible).
    - b. Not qualified as a class. An example would be a specific, identifiable woman with financial need who is enrolled in one of these programs (donations are never tax deductible).

3. State the purpose of the scholarship. The academic scholarship must be used for expenses directly tied to enrollment or toward completing a specified certificate or a degree at an educational institution.
  4. Identify the selection criteria. Proper criteria for selecting recipients should be specifically stated as the determining factors for eligibility and must be made available to all applicants.
    - a. These include, but are not limited to, prior academic performance, performance on tests to measure aptitude, recommendations from instructors, and financial need.
    - b. Criteria may also include conclusions the selection committee might draw from interviews.
  5. Use an impartial selection panel. Members of the selection panel and their families should not benefit from the selection of a recipient, which would constitute a conflict of interest and thereby disqualify them from serving on that panel.
    - a. Relatives of selection panel members should not be eligible for scholarships or panel members should recuse themselves.
    - b. Relatives of officers, directors, and major contributors should not be eligible for academic scholarships awarded by their organization unless the process is absolutely “blind.”
  6. Supervise the scholarship and identify reporting requirements. The affiliate must supervise the scholarships it issues, establish the reporting criteria for the recipient, and notify applicants of these requirements in advance of the award — for example, proof of course completion or enrollment status verification.
  7. Identify optional award-reporting criteria. The affiliate could also require recipients to write a brief report about how the scholarship helped them achieve their academic goals or to attend a branch meeting to share their experience directly with the members. The affiliate must include such requirements in the notice of award criteria.
  8. Provide oversight. If reports or other information provided to the affiliate indicate that the scholarship is not being used for the purposes intended, the affiliate should investigate why this occurred and, if applicable, withhold further payments until the situation is resolved.
- B. Records to Be Retained.** Affiliates should maintain the following documents in connection with their scholarship programs so that they can demonstrate adherence to best practices if their program or status (or the tax deduction of a donor) is challenged:

1. Information used to evaluate the qualifications of potential recipients
2. Information concerning the identification of recipients, including any relationships between the scholarship recipient and the organization providing the scholarship
3. The amount and purpose of each scholarship
4. Reports concerning the recipient's performance and use of funds (as noted above)

**C. Applications by AAUW Affiliates for IRS Recognition of 501(c)(3) Tax-Exempt Status.**

AAUW affiliates do not need to amend existing IRS status documents in order to offer scholarships. For new applications to the IRS for tax-exempt status by any affiliate intending to provide academic scholarships, AAUW recommends the inclusion of the following information:

1. The criteria for selecting scholarship recipients, including whether the affiliate selects the scholarship awardee directly or establishes the terms of the award to be implemented by a college selecting the individual awardee
2. The terms and conditions under which grants ordinarily are made
3. The procedures for supervising the scholarship awards
4. The procedures for review of grantee reports, investigation of suspected improper use of the grants, and recovery of diverted funds

**D. AAUW Fellowships and Grants.** AAUW's national fellowships and grants programs are entirely in compliance with all IRS regulations and best-practice standards. (See AAUW National Fellowships and Grants Procedures, below.)

#### **IV. Impact on Donors**

**A. Protecting Donors.** AAUW urges all AAUW affiliates to protect members from inadvertently claiming tax deductions on their federal tax returns for scholarship donations that do not qualify by

1. Adhering to the compliance and quality standards identified in Section II
2. Ensuring that the information in Sections III.A and III.B is clearly communicated to affiliate leaders, members, and donors

**B. Donations That Are Not Tax Deductible.** The following donations are not tax deductible:



1. Donations to affiliates designated as 501(c)(4) organizations to support their self-administered local scholarship programs
2. Donations given to affiliates designated as 501(c)(3) organizations for academic scholarships that do not follow the guidance found in Section II

**C. Tax-Deductible Donations.** The following donations are tax deductible.

1. Donations to support scholarship programs of an IRS-designated 501(c)(3) affiliate that follow the guidance found in Section II (and that, therefore, are acknowledged by the affiliate for tax purposes)
2. Donations that are given to an affiliate specifically to be passed through to AAUW national for AAUW's fellowships and grants program support (and that, therefore, are acknowledged by AAUW for tax purposes)
3. Donations that are given to a college or university for academic scholarships established by an AAUW affiliate for female students at that school (and that, therefore, are acknowledged by the institution for tax purposes)
4. Donations that are given to an AAUW affiliate specifically to be passed through to a college or university for academic scholarships established by the affiliate for female students at that school (and that, therefore, are acknowledged by the institution for tax purposes)

**V. Implications for Award Recipients.** Recipients who have questions about the tax consequences of the scholarship award should consult their tax adviser.

**AAUW National Fellowships and Grants Procedures as a Model for AAUW Affiliates**

- A. The AAUW fellowships and grants program adheres to all the requirements articulated in this memo and maintains the highest best-practice standards in all aspects of the program, as substantiated by independent audit every year.
- B. AAUW has an annual applicant pool of at least 10,000 students, of which 3,500 are deemed qualified. The selection process is conducted through an independent, highly reputable, third-party qualification and verification service that has direct access to the students' records. These applications are then forwarded for application assessment by AAUW-selected expert panelists who select the awardees through a blind rating process.
- C. Donations to the AAUW fellowships and grants program generally and to any specific fellowship or grant program that AAUW administers are tax deductible. AAUW national always specifically informs donors and members of the amounts of their donations and

dues that are tax deductible. This is true whether the donation is made directly by the donor to AAUW or is made through an affiliate acting as AAUW's agent that delivers the donation to AAUW.

- D. All donors to AAUW fellowships and grants programs receive a letter that can be used to substantiate the donation for income tax-deduction purposes for any donation of \$10 or more.
- E. Compliance assistance is available to all AAUW affiliates. For assistance please email [connect@aauw.org](mailto:connect@aauw.org).

## COLLABORATIONS WITH OTHER ORGANIZATIONS

Adopted by the AAUW Board of Directors, February 1988; revised October 1992, February 2007, July 2009, July 2011, June 2013, April 2017, June 2019

Note: In all AAUW policies, the term "AAUW" refers to the nationwide organization.

This policy is to be read in conjunction with Fundraising Policy 208. **Section II is applicable only to AAUW affiliates, not to AAUW national.**

I. AAUW recognizes the value of collaborating with other organizations, nonprofit and otherwise, to raise awareness of issues and/or achieve common objectives. Such efforts can often assist AAUW to further its mission, make more effective and efficient use of its resources, and increase its visibility and impact.

II. All activities, structures, and implementing documents of affiliates must protect both the reputation and the assets of AAUW.

- A. Commonly used terminology in this regard includes a variety of terms, such as "coalition," "alliance," and "collaboration," which have somewhat different connotations. (For convenience, "collaboration" is used herein to encompass all such arrangements.) Subject to the exception for "partnering," "partner," and "partnership" noted immediately below, AAUW generally will not be concerned about the label that an affiliate chooses to use.
- B. Although it is common for nonprofit organizations to be described as "partnering" with other organizations, there are certain legal ramifications that may adversely affect the affiliate because of their use of the term "partnering." Any use of the term "partner," or variations of the term, whether as a verb, a noun, or an adjective, imply that a "general partnership" has been created. The law provides that general partnerships can be created orally, casually, and without the parties involved realizing the implication of their actions. Even without authorization, that means every general partner can bind the partnership with respect to third parties, and every partner is liable for all of the debts, actions, and liabilities of the partnership. Accordingly, absent unusual circumstances, AAUW will **not** allow its affiliates to be described as partnering, being a partner, or being in a partnership or partnering relationship, and no AAUW affiliate shall have the right, power, or authority to create a partnership involving AAUW (that is, using the national organization's name). Indeed, in many cases it will be appropriate for the affiliate to expressly record that all parties recognize that no partnership exists.

III. When working with other organizations, AAUW and its affiliates will retain the control of the use of the names "American Association of University Women," "AAUW," and all associated logos and other AAUW intellectual property.

IV. Depending upon the circumstances and goals, collaborations can and will vary greatly with respect to the length of the relationship, the type of support provided, the leadership structure, and the appropriate level of formality and documentation, particularly with respect to financial matters. Some collaborations by AAUW and/or its affiliates with non-AAUW organizations may require AAUW Board of Directors approval, though typically decisions about the need for and advisability of such collaboration will be made by national staff.

V. Collaborations by AAUW and/or its affiliates usually includes the mutual encouragement of actions or programs of social benefit and/or mutual support of advocacy positions; therefore, such collaborations typically do not involve actual direct or indirect investment by AAUW or an affiliate. In some cases, however, AAUW's or an affiliate's collaboration may involve direct or indirect financial or in-kind resource investment. Such direct support may include sharing of administrative costs and/or a commitment to participate in the ongoing financial support of the common objective. It is essential that any financial or in-kind investment by AAUW or an affiliate in any collaboration must specifically (1) further the AAUW mission, (2) involve active AAUW or affiliate participation, and (3) be fully described by written and signed agreement of the parties, with clearly stipulated parameters for expenditures and participation time frames.

- A. Indirect support may include staff or volunteer time, use of space, technical expertise, or use of AAUW or affiliate resources. The terms of such activities should be articulated in writing by an agreement among the parties.
- B. Any investment by AAUW and/or an affiliate, whether indirect or direct, financial, or in-kind, may be made only for politically nonpartisan activities and with politically nonpartisan collaborators.

VII. AAUW affiliates may collaborate with organizations in a manner that clearly advances AAUW's mission and purpose. In all cases, each affiliate must (1) follow its own established policies and procedures, (2) comply with all applicable laws, including tax laws, and (3) avoid creating or allowing confusion between itself and the AAUW national organization. If there is a question regarding whether a proposed collaboration is appropriate, AAUW affiliates should contact [connect@aauw.org](mailto:connect@aauw.org) for proper referral.

VIII. AAUW encourages all AAUW affiliates to support women and girls in their local communities, states, and regional areas by engaging in actions that directly relate to AAUW's mission of advancing equity for women and girls through research, education, and advocacy. Participation in collaborations at these levels may help to generate local enthusiasm and visibility, promote AAUW, and recruit members. In all cases, however, no affiliate should ever state or imply that it is acting on behalf of AAUW or any other AAUW affiliate in any way that might legally obligate AAUW or any other affiliate with respect to any collaboration, duty, or action. Moreover, as discussed above, each affiliate should be careful to protect itself by not entering into partnerships, either intentionally or unintentionally.

**PUBLIC POLICY PRIORITIES**

Adopted by the AAUW Board of Directors, October 1988; October 1992, July 2009, July 2011, April 2016, revised July 2017, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

The AAUW Historic Principles provide a record of long-standing AAUW positions established through a century of study and action that establish the foundation underlying the basis for AAUW’s policies and programs.

The AAUW Public Policy Priorities are adopted by a vote of the membership every two years. The document serves to present AAUW’s public policy principles and action priorities, which will focus national resources and nationwide energy. This external statement of federal priorities identifies short-term policy objectives based upon their viability, critical need, strong member support, and potential for distinctive AAUW contribution. Affiliates initiate action consistent with AAUW’s Use of Name Policy. (See AAUW Policy 110, Use of Name and Logo).

## CANDIDATES FOR PUBLIC OFFICE

Adopted by the AAUW Board of Directors June 1988 (rescinds Policy 607 adopted February 1984 and revised February 1987); revised October 1988, February 1990; October 1992; June 1996; February 1998, July 2009, June 2016, June 2019

Note: In all AAUW policies, the term "AAUW" refers to the nationwide organization.

### I. Endorsement of Nominees for Appointed Office

- A. AAUW affiliates may endorse or oppose the confirmation of nominees for appointed offices.
- B. Clear procedures for making such endorsements must be developed and adopted by the state affiliate board.
  - 1. In the event that there is no state affiliate board, these procedures must be developed and agreed to by a majority of the state's affiliates. These procedures then become binding on all affiliates.

### II. Endorsement of Candidates for Nonpartisan Elective Office

- A. A nonpartisan elective office is an office for which party affiliation does not appear on the ballot next to the candidate's name.
- B. AAUW affiliates with 501(c)(4) status (the majority of affiliates) may recruit and/or endorse candidates for nonpartisan elective offices.
  - 1. AAUW affiliates that have independently incorporated themselves as 501(c)(3) entities may not endorse candidates for any kind of elected office.
- C. Clear procedures for making such endorsements must be developed and adopted by the state affiliate board.
  - 1. In the event that there is no state affiliate board, these procedures must be developed and agreed to by a majority of the state's affiliates. These procedures then become binding on all affiliates.
- D. Before endorsing candidates for nonpartisan elective office, AAUW state affiliate organizations must carefully investigate state and local election laws.
  - 1. Where state or local election law considers endorsement itself a contribution, AAUW state affiliate organizations may not endorse candidates for any elective office, partisan or nonpartisan.

### III. Endorsement of Candidates for Partisan Elective Office

- A. AAUW affiliates may not endorse or oppose candidates for partisan elective office.

### IV. AAUW Affiliate's Contributions

- A. AAUW affiliates may not contribute money, mailing lists, or anything of material value to candidates for any elective office, partisan or nonpartisan.
- B. AAUW affiliates may not collectively volunteer time for candidates' activities through an official AAUW affiliate-sponsored activity.
- C. AAUW affiliates may not publish paid or unpaid partisan political announcements or advertisements in any AAUW affiliate publication.

### V. AAUW Affiliate Activities for Candidates

#### A. Candidates for Partisan Elective Office

##### 1. Forums and Debates

- a. Before a partisan election, affiliates may hold candidate forums to which all candidates for that elective office must be invited.
- b. If three or more political parties have nominees for any office, AAUW affiliates may limit invitations to the two political parties receiving the highest number of votes in the last preceding general election.
- c. AAUW affiliates with 501(c)(4) status (the majority of branches) must document a thorough and good-faith effort to ensure the participation of at least two candidates for a specific office (or their surrogates). AAUW affiliates may proceed with a forum with only one candidate only if such good-faith participation efforts are made.
- d. AAUW affiliates with 501(c)(3) status may only proceed with a candidate forum if at least two candidates and/or their surrogates have accepted the invitation.
- e. AAUW affiliates must make clear to forum attendees and in pre-publicity and post-publicity, if applicable, that other candidates or parties were invited to participate, naming names and giving reason(s) for nonparticipation, per invitee quotation.
  - If no reason is given for nonparticipation, then the AAUW affiliate should state such to attendees and in pre-publicity, if applicable.
  - It is critical to avoid the semblance of the AAUW affiliate as taking a partisan stance by omission or commission. (This applies to federal elections. Check state election code for other races.)

## 2. Speeches by Elected Officials Running for Office

- a. AAUW affiliates with 501(c)(3) status may invite a public official who is also a candidate in a partisan election to speak on a subject pertaining to the incumbent's duties as a public official, as long as the incumbent does not discuss his or her candidacy for public office and does not use campaign funds to underwrite their appearance.
- b. AAUW affiliates with a 501(c)(3) status may not invite a declared candidate in a partisan election to speak at a meeting on her/his candidacy for future public office.
- c. AAUW affiliates with 501(c)(3) or 501(c)(4) status may invite a declared candidate in a partisan election to speak at a meeting on a subject of particular expertise, as long as the candidate does not discuss his or her candidacy for public office and does not use campaign funds to underwrite their appearance.

## B. Candidates For Nonpartisan Elective Office

1. Before a nonpartisan election in which AAUW has not endorsed a candidate(s), AAUW affiliates may have candidate forums to which all candidates in that election are invited.
2. Before a nonpartisan election in which an AAUW affiliate with 501(c)(4) status has endorsed a candidate(s), branches or states may invite the endorsed candidate(s) to speak at a meeting on their candidacy with or without inviting non-endorsed candidates.

## C. Candidate Questionnaires

1. All candidates running for the office(s) to be covered in a candidate questionnaire must have the opportunity to participate.
2. All candidate responses received should be signed by the candidate.
3. Responses must be printed in their entirety up to the specified word limit in any publication of responses to the questionnaire.
4. The publication of responses should include the names of all candidates to whom the questionnaire was sent, but publication may proceed even if all candidates do not respond by the appointed deadline.

## VI. Election Activities of Individual AAUW Members

- A. An individual member may endorse, as a private citizen, candidates for partisan elective office; contribute their own money or anything of value to such candidate(s); and



organize for the purpose of supporting such candidate(s); but such endorsement, contribution, or organization cannot utilize the name of AAUW.

- B. Any AAUW affiliate leader who is actively involved in a candidate's campaign should avoid any involvement of an AAUW affiliate in activities.
- C. As a candidate for any office, an individual member may state their AAUW membership as long as they are not opposing an AAUW program or policy. Stating one's AAUW membership while opposing AAUW positions violates the AAUW Use of Name Policy (see AAUW Bylaws, Article III). In the absence of official endorsement by AAUW (for appointive or nonpartisan elective office), such a statement of AAUW membership should not be construed to imply endorsement.

## VII. IRS Guidelines

- A. **Support for/opposition to a candidate:** "Therefore, the fundamental test that the Service uses to decide whether an IRC 501(c)(3) organization has engaged in political campaign intervention while advocating an issue is whether support for or opposition to a candidate is mentioned or indicated by a particular label used as a stand-in for a candidate." This should not impact a charity's ability to reach the public with a pure issue message. Accordingly, the appropriate focus for our affiliates should be speaking about issues rather than commenting on candidates.
- B. **Regarding 501(c)(3) affiliates:** "The regulations provide that activities that constitute participation or intervention in a political campaign include, but are not limited to, the publication or distribution of written or printed statements or the making of oral statements on behalf of or in opposition to [a candidate for public office]" [Reg.1.501(c)(3)-1(c)(3)(iii)]. See also Reg. 53.4945-3(a)(2). Consequently, a written or oral endorsement of a candidate is strictly forbidden. The rating of candidates, even on a nonpartisan basis, also is prohibited.
- C. **Individual Endorsements:** Therefore, when an **official** of an IRC 501(c)(3) organization endorses a candidate somewhere other than in the organization's publications or at its official functions, and the organization is mentioned, it should be made clear that such endorsement is being made by the individual in his or her private capacity and not on the organization's behalf. The following language would serve as a sufficient disclaimer: "Organization shown for identification purposes only; no endorsement by the organization is implied." However, as stated earlier, if the endorsement occurs in the organization's publication or at its official function, such a disclaimer is insufficient to avoid attribution of the endorsement to the organization.
- D. **501(c)(3) and 501(c)(4) joint activities/income/expenses:** Situations of particular concern when an IRC 501(c)(3) organization has a related IRC 501(c)(4) organization include those in which the two organizations share staff, facilities, or other expenses or

in which the two organizations conduct joint activities requiring an allocation of income and expenses. Any allocation of income or expenses between the two organizations must be carefully reviewed to ensure that the allocation method is appropriate and that the resources of the IRC 501(c)(3) organization are not being used to subsidize the political campaign activity of the IRC 501(c)(4) organization.

- E. **Rating candidates:** The public office need not be “partisan.” The IRS revoked the tax-exempt status of the Association of the Bar of the City of New York, a 501(c)(3) organization, when the association attempted to rate candidates in elective judicial races on a nonpartisan basis. On appeal, the courts upheld the IRS.

## AWARDS

Adopted by the Foundation Board of Directors April 1987; revised April 1988, September 1990, September 1992, September 1996, April 1997, May 2005; revised by the AAUW Board of Directors July 2009, July 2011, October 2012, February 2016, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

AAUW shall establish special awards that advance equity and education for women and girls. All awards are presented at the discretion of the CEO.

### **I. Eleanor Roosevelt Fund Award**

The Eleanor Roosevelt Fund Award is given to an individual, project, organization, or institution for outstanding contributions to equity and education for women and girls. The award recognizes innovative work that is designed to create systemic, fundamental change in such areas as classroom teaching, research, and legal and legislative work. While the award focuses on education, the recipient need not be an educator. .

The Eleanor Roosevelt Fund Award nominees must support the goals of the Eleanor Roosevelt Fund:

- To break through barriers to women’s and girls’ participation in education
- To promote the value of diversity and cross-cultural communication
- To develop greater understanding of the ways women learn, think, work, and play

### **II. AAUW Achievement Award**

The AAUW Achievement Award is presented to an individual whose record of achievement in any scholarly or professional field covers a span of 20 or more years. Through this award AAUW encourages public recognition of the highest standards of service throughout the public and private sectors. The award underscores the significant accomplishments of women and men who strive to advance the goals of AAUW. Nominations for the Achievement Award shall include biographical data and a detailed description of the nominee’s major accomplishments. .

The criteria to be observed in selecting this outstanding individual shall include one or more of the following:

- National prominence, with a record of distinction and achievement
- Demonstrated contributions to breaking through barriers for women and girls
- Development of a special project that positively contributed to the lives of women and girls

### **III. AAUW Alumnae Recognition Award**

The AAUW Alumnae Recognition Award honors a past recipient of an AAUW national-level fellowship or grant (American Fellowship, International Fellowship, Selected Professions

Fellowship, Career Development Grant, Community Action Grant) who has attained outstanding success and national or international distinction in their chosen business, profession, or life's work as a result of their AAUW award. Alumnae of any (abovementioned) AAUW fellowship or grant program may be nominated. Nominations for the award shall include biographical data and a detailed description of the nominee's major accomplishments.

The criteria to be observed in selecting this outstanding individual are the following:

- Demonstration of the impact of the AAUW award on the individual's professional accomplishments
- Demonstration of the individual's achievement being in concert with the goals of AAUW

#### **V. Women of Distinction Program**

Held annually in conjunction with the National Conference for College Women Student Leaders, the Women of Distinction Awards pay tribute to women leaders who have made extraordinary accomplishments to their professions or their communities. The women highlighted are leaders in their fields, innovators of unique programs and services, and prime examples of lifelong commitment to promoting equity for women and girls everywhere.

## FELLOWSHIPS AND GRANTS

Approved by the AAUW Board of Directors February 2016, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

### **Overview**

Each year, AAUW provides funding for fellowships and grants to outstanding women and nonprofit organizations. Awards panels recommend the distribution of funds, including the evaluation of applications for awards, ranking and recommending selections for funding, and proposing changes in programs, policies, and procedures. The AAUW fellowships and grants are the following: American Fellowships, Career Development Grants, Community Action Grants, International Fellowships, International Project Grants, and Selected Professions Fellowships.

### **Composition and Terms of Fellowships and Grants Panels**

All panelists shall be acknowledged experts in their respective fields and appointed to two-year terms at the discretion of the Senior Vice President for Fellowships & Programs and CEO. They shall serve no more than three consecutive terms on one panel or committee, the third term being possible only as chair. The AAUW Fellowships and Grants Department will recruit and recommend the requisite number of members for each panel and provide the qualifying expertise of each panel member for approval.

### **Fellowship and Grant Recipients**

Members of the AAUW Board of Directors, committees, panels, task forces, and staff, including current interns, are not eligible to apply for AAUW’s fellowships and grants. A person holding a current award is eligible for election or appointment to boards, committees, panels, and task forces.

**EXPENSE REIMBURSEMENT GUIDELINES**

Adopted by the AAUW Board of Directors June 1988. Revised February 1990; amended October 1990, February 1993, October 1993, February 1994, June 1994, June 1995, February 1996, June 1996, November 1996, March 1998, June 1999, June 2002, June 2003, June 2006, August 2006, July 2007, July 2009, July 2011, June 2016, November 2016, February 2018

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AAUW will reimburse members of the Board of Directors for preapproved travel and other expenses incurred while performing AAUW business, in accordance with the AAUW Travel and Meals Guidelines and Procedures for Non-Employees.

## CONFLICT OF INTEREST

Adopted by the AAUW Board of Directors June 1991; revised July 2006, July 2009, July 2011, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

### Article I - Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of The American Association of University Women (“AAUW”) when it is contemplating entering into a transaction or arrangement, or pursuing an activity, that might benefit the private interest of an officer, director, or managerial employee of AAUW. This Conflict of Interest Policy is based on standard template language recommended by the Internal Revenue Service.

This Conflict of Interest Policy provides guidelines for identifying conflicts, disclosing conflicts, and procedures to manage conflicts of interest and situations that may result in the appearance of a conflict. This Conflict of Interest Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interests applicable to nonprofit, 501(c)(3) organizations.

### Article II – Definitions

1. Interested Person. Any member, officer, director, member of a committee with powers delegated by the Board of Directors, or managerial employee, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - (a) An ownership or investment interest in any entity with which AAUW has a transaction or arrangement,
  - (b) A compensation arrangement with AAUW or with any entity or individual with which AAUW has a transaction or arrangement,
  - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AAUW is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the AAUW Board of Directors decides that a conflict of interest exists.

### Article III – Procedures

1. Duty to Disclose. 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 one or more directors. Such disclosure must be provided as soon as reasonably possible prior to further consideration or contemplation of entering into any activity, transaction or arrangement that represents a possible conflict of interest. Advance disclosure must occur so that the board may determine whether a conflict of interest exists (pursuant to Article III, Section 2) and, if appropriate, determine a plan of action to manage the conflict.
2. Determining Whether a Conflict of Interest Exists. If an interested person discloses the existence of a financial interest during a meeting, he/she shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon after disclosure of the financial interest and all material facts, and after any discussion with the interested person. The remaining board members shall decide if a conflict of interest exists.

If an interested person discloses the existence of a financial interest to one or more directors outside of a board meeting, he/she shall provide additional information as requested to the directors. The board shall discuss and determine whether a conflict of interest exists at the next board meeting.

3. Procedures for Addressing the Conflict of Interest.
  - (a) An interested 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.
  - (b) The board chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - (c) After exercising due diligence, the board shall determine whether AAUW 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.
  - (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of AAUW, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
4. Violations of the Conflicts of Interest Policy.
  - (a) If the board has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, 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 person's response and after making further investigation as warranted by the circumstances, the board determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV - Records of Proceedings**

The fact that a potential conflict was identified, managed, avoided, and/or resolved will be documented in the minutes of any meeting or communication regarding the matter. The minutes of the meeting or other communications shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a connection with an actual or possible conflict of interest, 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 and votes relating to the transaction, activity, or arrangement, the content of the discussion, including any alternatives to the proposed transaction, activity, or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V – Compensation**

- (a) A voting member of the board who receives compensation, directly or indirectly, from AAUW for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AAUW for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AAUW, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- (d) In accordance with section 53.4958-6 of the Treasury Regulations (or any successor thereto), prior to approving any compensation to any interested person, the disinterested members of the board shall examine compensation paid by at least three (3) comparable organizations in the same or similar communities for similar services for purposes of determining whether such compensation is fair and reasonable. The basis for any such determination shall be documented in the minutes of any meeting or communication regarding the matter.

#### **Article VI – Annual Statements and Compliance**

Each director, officer, member of a committee with governing board delegated powers, and managerial employee shall annually sign the attached Annual Conflict of Interest Disclosure Statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands that AAUW must engage primarily in activities that accomplish one or more of its tax-exempt purposes in order to maintain its federal tax exemption.

The Chief Executive Officer shall also serve as the Compliance Officer. It is the duty of all board members and staff to be aware of this policy, and to identify conflicts of interest and situations that may result in the appearance of a conflict and to disclose those situations/conflicts/or potential conflicts to (i) the employee's supervisor; (ii) the Compliance Officer; (iii) another board member; or (iv) another designated person, as appropriate.

#### **Article VII - Periodic Reviews**

To ensure that AAUW operates in a manner consistent with its 501(c)(3) purposes and does not engage in activities that could jeopardize its 501(c)(3) status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to AAUW's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further 501(c)(3) purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### **Article VIII - Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, AAUW 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.



**AAUW**  
**CONFLICT OF INTEREST**  
**DISCLOSURE STATEMENT**

3. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by the AAUW's Board of Directors, or a duly constituted committee thereof, in accordance with the terms and intent of the AAUW's Conflict of Interest Policy?

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I have received, read, and understand the AAUW's Conflict of Interest Policy, and agree to comply with its terms. I understand that the AAUW is a tax-exempt 501(c)(3) organization, and that in order to maintain its federal 501(c)(3) status, the AAUW must engage primarily in activities that accomplish one or more of its 501(c)(3) purposes, and must comply with certain rules and restrictions as a matter of federal and state law and good governance.

I further understand that this disclosure statement will be provided to the AAUW's Chief Executive Officer (and may be circulated to the AAUW's entire Board of Directors), and that I must update this disclosure statement throughout the year, as necessary.

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Signature

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Date

## WHISTLEBLOWER POLICY

Adopted by the AAUW Board of Directors, revised February 2012, February 2016, June 2019

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

It is the policy of AAUW to foster an environment of openness and fair dealing. Information concerning actions or failure to act that impacts the integrity of AAUW, its subsidiaries, and related organizations is important and encouraged to be promptly disclosed. This whistleblower policy is intended to encourage and enable employees and others to raise concerns internally so that AAUW can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees, and volunteers to report concerns about violations of AAUW’s code of ethics or suspected violations of law or regulations that govern AAUW’s operations.

### **I. Reporting Procedure**

AAUW has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor’s response, you are encouraged to speak with the Chief Administrative Officers (CAO). Board members, supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to the CAO who has the responsibility to investigate all reported complaints. Employees with concerns or complaints may also submit their concerns in writing directly to their supervisor or the CAO.

### **II. Acting in Good Faith**

A whistleblower is not required to submit proof of the allegation, nor put their name to the allegation, but should do so if possible. Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. 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 disciplinary offense.

The CAO is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. The CAO will advise the CEO and/or board chair of all complaints and their resolution. If the matter involves the CEO, the CAO will report the matter to the board. In addition, the CAO will advise the board finance vice chair and Audit Committee chair of all complaints relating to accounting or alleged financial improprieties and will report at least annually to the CEO on compliance activity relating to any accounting or alleged financial improprieties.

### **III. Handling of Reported Violations**

The CAO will notify the person who submitted a complaint and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

**IV. Confidentiality**

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

**V. No Retaliation**

It is contrary to the values of AAUW for anyone to retaliate against any board member, officer, employee, or volunteer who in good faith reports a violation or a suspected violation. Any person who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment or removal from the board or membership.

**RECORD RETENTION AND MANAGEMENT**

Adopted by the Foundation Board of Directors May 2006, and by the AAUW Board of Directors, July 2006, July 2009, July 2011

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization.

Records will be maintained and retained in a manner that allows this agency to meet legal and regulatory requirements, such as those of the Internal Revenue Service and Sarbanes-Oxley.

## AAUW INVESTMENT POLICY STATEMENT

Approved by the AAUW Board of Directors October 2014, revised December 2021, February 2022

Note: In all AAUW policies, the term “AAUW” refers to the nationwide organization. The term “AAUW affiliated entity” or “entity” refers to all AAUW state organizations, branches, or comparable AAUW entities.

### I. Introduction

The AAUW Investment Fund (hereafter referred to as the “Fund”) was created to provide continuing financial support to AAUW. The purpose of this Investment Policy Statement is to establish guidelines for the prudent investment of the Fund’s investment portfolio (the “Portfolio”). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio’s investment program and for evaluating the investment manager or funds selected on behalf of the Fund and its beneficiaries.

### II. Role of the Investment Committee

The AAUW Investment Committee (the “Committee”) will act in a fiduciary capacity with respect to the Portfolio and is accountable to the AAUW Board of Directors for overseeing the investment of the Portfolio’s assets.

- A. This Investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.
- B. The investment policies for the Fund contained herein have been formulated consistent with AAUW’s budgeted financial needs and in consideration of AAUW’s tolerance for assuming investment and financial risk, as reflected by the majority opinion of the Committee.
- C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio’s investments are managed consistent with the short-term budget requirements and the long-term financial goals of the Fund. At the same time, they are intended to provide for sufficient investment flexibility in light of changes in capital markets and economic conditions and with respect to the financial circumstances of AAUW.
- D. The Committee will review this Investment Policy Statement at least biennially. Changes to this Investment Policy Statement require AAUW Board approval.
- E. The Committee may hire an investment consultant to assist with asset allocation and oversight of the investment portfolio. The investment consultant may be responsible for any or all of the following duties at the direction of the Committee:



- Making asset allocation, rebalancing, and investment manager recommendations to the Committee
  - Providing monthly performance reports to the Committee
  - Providing quarterly reports to the Committee on performance, risk, asset allocation, universe comparisons, investment strategy, economic and market insights, and any recommended changes to investments
  - Providing feedback regarding changes to this policy
- F. The Committee will hire one or more investment managers based upon appropriate criteria, including, but not limited to: investment philosophy and process, historical performance, experience of key personnel, and financial viability. The Committee is authorized to delegate investment authority to the investment manager(s) consistent with AAUW's investment objectives as set forth in this policy. Investment managers will have discretion to select investments in accordance with their stated philosophy, investment strategy and any relevant investment guidelines or regulatory document such as a prospectus.

### III. Investment Objective and Spending Requirements

- A. The Fund's long-term assets are invested with the objective of preserving the long-term, real purchasing power of assets as defined by CPI + 4 percent annually, while providing a relatively predictable and growing stream of annual distributions in support of AAUW. This return target will be long-term given fluctuations in investment returns over time.
- B. For the purpose of making distributions, the Fund shall make use of a total-return-based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, unrealized appreciation, and proceeds from the sale of investments.
- C. The Committee will limit investments in illiquid assets so as to maintain adequate liquidity to meet its operational and funding needs.

### IV. Commitment to Gender Equity

AAUW's Board and its Investment Committee are committed to investing AAUW Funds in line with our mission to advance gender equity for women and girls through research, education and advocacy. The Committee and the Investment Consultant will periodically assess levels of representation and inclusion of women at the investment manager level with the expectation that overall reported metrics show improvement over time. The Committee will require transparency and accountability through annual reporting of investment manager diversity and inclusive practices. Reports may include:

- a. Current and historical levels of women at different levels within the manager's organization

- b. Evaluation of policies that support equal opportunity and a commitment to cultivating and preserving a culture of diversity and inclusion

Any manager who exhibits material deterioration in reported metrics over the course of a minimum of two years will be placed on Watch for further review by the Committee to determine if the strategy remains the best fit for the portfolio.

## V. Portfolio Investment Policies

### A. Asset Allocation Policy

1. The Committee recognizes that the strategic allocation of Portfolio assets across broadly defined financial asset and sub-asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.
2. The Committee realizes that actual risk and returns may differ from expectations and objectives in the short term. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Fund, to the assumptions underlying Fund spending policies, and/or to the various asset classes in which the Portfolio invests.
3. Schedule A outlines the asset allocation guidelines, determined by the Committee to be the most appropriate, given the Fund's long-term objectives and short-term requirements.

**B. Diversification Policy.** Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over the long term. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations.

1. With the exception of passively managed investment vehicles seeking to match the returns of a broadly diversified market index in any asset class, no single investment pool or other investment vehicle (e.g. mutual fund) shall comprise more than 20 percent of total Portfolio assets.

**C. Rebalancing.** It is expected that the Portfolio's actual long-term asset allocation will vary from its target asset allocation within ranges specified in Schedule A due to market fluctuations across all investments. The Portfolio will be rebalanced to its target normal asset allocation utilizing the following procedures:

1. Allocate incoming or outgoing cash flows (into and out of the long-term asset classes) to realign the current weightings closer to the target asset allocations for

the Portfolio. If these cash flows are not sufficient to bring the asset classes within the acceptable ranges, the Vice President of Finance may opt to rebalance the individual asset class weightings to the desired target allocations. The specific transactions necessary to achieve the rebalancing will be made by the Vice President of Finance and reported to the Committee.

2. The Committee will review the Portfolio allocation at its quarterly meetings to evaluate the deviation from target weightings. The Committee will also provide a more formal review of the asset allocation targets and ranges on an annual basis.

**D. Other Investment Policies.** Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from

1. Purchasing securities on margin or executing short sales.
2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
3. Purchasing or selling derivative securities for speculation or leverage.
4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their investment portfolio.

**E. Monitoring Portfolio Investments and Performance.** Each calendar quarter, the Committee shall monitor and assess the investment performance of the Portfolio and its underlying investments.

1. Time Horizon. Given the long-term objective, it is appropriate to evaluate performance over a full market cycle, generally a three to five-year period, although the Committee will also engage in ongoing evaluation by reviewing monthly and quarterly reports.
2. Risks Evaluated. The Committee recognizes that risk cannot be satisfactorily summarized by a single statistic. Instead, the Committee will regularly use a mosaic approach to risk measurement and monitoring. This approach combines a variety of fundamental and quantitative risk measures to assess the Fund's risk profile. These risk measures may include, but are not limited to:
  - Likelihood of permanent impairment of capital
  - Volatility (annualized standard deviation of monthly performance)
  - Geographic exposures
  - Sector exposures
  - Security concentration
  - Liquidity
  - Net market exposure

- Leverage

**F. Selection of Investment Managers.** In evaluating current and potential managers, the Committee and Investment Consultant will use the following procedures:

- Identify a range of possible investment manager candidates, including at least one candidate that is gender diverse
- Obtain relevant information about the investment managers' experience, qualifications and investment approach, including diversity and inclusion policies
- Evaluate experience, qualifications, and investment approach. Included in this evaluation will be an analysis of past performance, risk metrics, and investment management fees.
- Document the selection process

Gender diverse investment managers will be defined as meeting at least one of the following three criteria: 25% women at the firm's board/ownership level, 33% women at the firm's senior management level, or 33% women at the investment strategy level.

### SCHEDULE A AAUW Asset Allocation Guidelines

#### I. Asset Allocation

Asset Class	Target	Maximum	Minimum
U.S. Large Capitalization Equities	30%	35%	25%
U.S. Small Capitalization Equities	8%	13%	3%
International Equities-Large Cap	17%	22%	12%
International Equities-Emerging Markets	10%	15%	5%
Fixed Income-Domestic Bonds	20%	25%	15%
Emerging Market Debt and Multi-Asset Credit	10%	15%	5%
Alternative Investments/Real Estate	5%	10%	0%

#### II. Asset Class Guidelines

The appropriate vehicle for a given investment (e.g., separate account, mutual fund, commingled fund, limited partnership, etc.) will be evaluated on a case-by-case basis, with a bias toward the lowest cost option wherever possible unless the Committee decides to select certain active managers which may have higher fees.

**A. Mutual Funds, Commingled Funds, or Limited Partnerships.** Mutual funds, commingled funds and limited partnerships are all types of investment vehicles that are commonly used by institutional and other investors. These vehicles are governed by various legal documents that generally describe the underlying investment strategy, investment

philosophy, investment process, allowable investment instruments, restrictions, and other relevant items. Mutual funds, specifically, utilize a prospectus as required by the SEC as the guiding investment document. Separately managed accounts can be more onerous from an operational perspective and may require minimum asset levels for adequate diversification.

The Committee, who can also utilize the assistance of an external Consultant, will use various qualitative and quantitative factors to select the underlying investment management firms for the Fund's assets. Some, but not all, of the factors will include monitoring assets under management, the quality of the investment and administrative staff, turnover of staff, appropriate expenses, and operational and regulatory oversight.

- C. Separately Managed Accounts: Fixed Income.** Specific guidelines for separately managed accounts will be established at the time such accounts are funded. Specific investment limitations are as follows:
- a. Diversification. With respect to any individual bonds held in a fixed income separate account, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher). With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5 percent of total Portfolio assets.
- D. Separately Managed Accounts: Equities.** Specific guidelines for separately managed accounts will be established at the time such accounts are funded. Specific investment limitations are as follows:
1. Diversification. No more than 5 percent of any manager's equity portfolio at cost and 8 percent at market value shall be invested in the securities of any one company without approval of the Committee.
  2. Portfolio Turnover. There shall be no specific guidelines with regard to portfolio activity. By not restricting turnover, the managers are given the flexibility to adjust their asset mix and security selection to changing market expectations. Turnover levels should be appropriate to strategies and asset classes. Turnover should be reported on a quarterly basis.
  3. Permissible Holdings
    - a. Common stocks or American Depositary Receipts ("ADRs") listed on a major U.S. exchange, including the NASDAQ, and on major international exchanges
    - b. Securities convertible into common stock
    - c. Mutual funds
    - d. ETF's
  4. Holdings Not Permissible without Committee's Prior Written Approval

- a. Short sales, except as part of a defensive hedge position
  - b. Options, futures, or forward contracts except where used to hedge the market value of non-dollar denominated securities into U.S. dollars, replicate a major market benchmark, or hedge the market value of an equity portfolio through a protective put program
  - c. Margin purchases or borrowing funds
  - d. Letter stock, private or direct placements
  - e. Commodities
  - f. Securities of the investment manager, the custodian bank, their parents or subsidiaries (excluding the short-term investment funds of the custodian bank or money market mutual funds)
  - g. Any other securities not specifically defined as permissible holdings above
- E. Short-Term Investments/Cash and Equivalents.** The current reserves portfolio shall be invested in low-risk, low-duration fixed income funds and/or enhanced money market investments. The cash portion of AAUW shall be invested in a short-term investment fund (“STIF”) or a money market mutual fund. These investments will be selected by the Vice President of Finance, upon consultation with the Committee and anyone else deemed appropriate. Money held in the cash reserve shall be viewed as essentially riskless, while money in the current reserves shall be viewed as extremely low risk.
- F. Other Asset Classes.** Guidelines for investments in other asset classes may be established in the future by the Committee, in conjunction with the investment consultant, as necessary.

### III. Performance Standards

- A. Benchmark Indices.** Over a market cycle, each component asset class of the Fund where active management is employed will be expected to meet or outperform its appropriate benchmark, net of fees. In addition, it is expected that over a market cycle of at least five years, managers will rank at or above median when compared to a representative investment manager universe of similar asset class, market capitalization and style:

Asset Class	Benchmark Index
U.S. Large Cap Equities	Russell 1000
U.S. Small Cap Equities	Russell 2000 Index and style index if applicable (i.e., Russell 2000 Growth Index and Russell 2000 Value Index)
International Equities	MSCI EAFE Index
Fixed Income: Domestic and Global	Barclays Capital Aggregate Bond Index
Alternative Investments/Real Estate	MSCI U.S. REIT Index

In addition to the benchmark indices above, the total AAUW portfolio is also expected to meet or exceed two custom benchmarks, net of fees, over a market cycle. The following describes each of these benchmarks:

1. Allocation Index. Consists of the returns of each asset class component weighted according to each asset class' proportionate weight in the organization's portfolio as of the beginning of the quarter.
2. Target Index. Consists of the returns of each asset class component weighted according to each asset class' target weight.

**B. Universe Comparison.** The total returns of each asset class category and the total Fund will be compared to a comprehensive universe of investment funds with similar mandates and investment objectives. Over a market cycle, each asset class category and the total Fund are expected to rank above median in the appropriate universe.

#### IV. Automatic Review Process for Investment Funds

In addition to formal quarterly reviews of the Fund, certain circumstances may trigger more frequent or ad hoc reviews by the Committee beyond risk and return metrics. Examples of events that may initiate additional review by the Committee include extreme market dislocations, organizational or ownership changes at the investment manager, significant changes to investment process, regulatory or legal investigations or other relevant matters.

### APPENDIX

The types of strategies that may be expected to be in AAUW's alternative investments portfolio include the following:

<u>Strategy</u>	<u>Description (with examples of strategies)</u>
Real Estate	Investments in properties or real estate investment trusts (REITS)