

ENGINEERING SOCIETY OF
SYSTEMS SCHOLARS
GOVERNANCE POLICIES

ENGINEERING SOCIETY OF SYSTEMS SCHOLARS CONFIDENTIALITY POLICY

Engineering Society of Systems Scholars (the “Corporation”) recognizes that efficient operation requires the maintenance and management of extensive Confidential Information related to its programs as well as donor and prospect records. The purpose of this Confidentiality Policy is to memorialize the Corporation’s position on confidentiality.

The Corporation considers certain information to be “Confidential Information”. Such Confidential Information includes, but is not limited to, the following:

- Fundraising Plans
- Grant Files
- Contribution Files
- Donor Records
- Donor Lists
- Charitable Gift Information
- Resource Development Data
- Financial Projections
- Personnel Information
- Legal Information
- Program Data
- Manuals
- Contracts
- Agreements
- Board and Committee Meeting Discussions
- Board and Committee Meeting Materials

These obligations will not apply to any Confidential Information that a receiving party proves: (i) was or becomes publicly available through no wrongful act of such receiving party; or (ii) was required to be disclosed by law. These obligations are ongoing and survive the individual’s involvement with the Corporation.

A. CONFIDENTIALITY OF CORPORATION BUSINESS. Discussions that take place in the context of the Corporation’s operations require discretion, including discussions pertaining to board meetings, committee meetings, personnel issues, development and fundraising activities, etc. The positions or statements of individual Board members, advisors, or staff should not be discussed outside of official Corporation meetings and processes. Likewise, the content of Corporation business, including documents or analysis of documents, should not be discussed or shared outside official meetings and processes.

B. CONFIDENTIALITY OF RECORDS. The Secretary shall be responsible for maintaining the confidentiality of donor and prospect Records. In this context, “Records” is construed to mean all files, including electronic data, containing information on the Corporation’s donors or prospective donors. Records will normally be available to staff as needed to fulfill their duties. At the discretion of the Secretary, staff may make all or part of any record available to

Corporation volunteers to assist them in executing their specific responsibilities. The Corporation's auditors, legal counsel and other consultants are authorized to review Confidential Information as required for the purposes for which they are engaged. All persons accessing donor or prospect Records in the conduct of Corporation business are called upon to maintain the confidentiality of said Records. Staff may share information with donors, fund beneficiaries, and grantees pertaining to their own gifts, funds, grants, etc.

C. PUBLICATION OF DONOR NAMES. Unless otherwise requested by the donor, the names of all individual donors may be listed in the Corporation's annual report and/or in other appropriate vehicles. The Corporation will not publish the amount of any donor's gift without the permission of the donor. Donors making gifts to the Corporation by bequest or other testamentary device are deemed to have granted such permission unless the terms of the gift instrument state otherwise.

D. MEMORIAL/TRIBUTE GIFTS. The names of donors of memorial or tribute gifts may be released to the honoree, next of kin, or appropriate member of the immediate family, unless otherwise specified by the donor. Gift amounts are not to be released without the express consent of the donor.

E. ANONYMOUS GIFTS. The President is authorized to accept anonymous gifts to the Corporation, and to handle them appropriately. The name of the donor may be withheld from the Board of Directors (the "Board") at the President's discretion, if so requested by the donor. Board members will respect the anonymity of any such gift.

F. GIVING CATEGORIES. If giving categories have been stipulated for a specific fund drive, challenge grant, or Mission, or as part of the Corporation's ongoing recognition program, then the donors, unless they otherwise specify, are deemed to have given the Corporation permission to publish their names associated with the particular giving category. Similarly, the Corporation may publish giving categories associated with donor names in its annual report and, unless a donor specifies otherwise, his/her name may be included therein.

G. NO DISCLOSURES TO THIRD PARTIES. The Corporation shall not release to third parties or allow third parties to copy, inspect, or otherwise use Corporation records or other information pertaining to the identification of a donor or donor's gifts. No disclosures to third parties of such information, including addresses and demographic information, shall be made without the donor's consent.

H. PUBLIC DISCLOSURE. The Corporation will comply with both the letter and spirit of all public disclosure requirements, including the open availability of its Form 990 tax returns. This policy shall not be construed in any manner so as to prevent the Corporation from disclosing information to taxing authorities or other governmental agencies or courts having regulatory control or jurisdiction over the Corporation. However, all staff, volunteers, and consultants must hold strictly confidential all issues of a private nature, including, but not limited to, all issues explicitly discussed in this policy.

I. CONSEQUENCES OF POLICY VIOLATION. Violations of this Confidentiality Policy are considered very serious and may result in disciplinary action up to and

including dismissal for employees or consultants or removal from the Board or any committee for volunteers.

CHANGES TO THE POLICY

This Confidentiality Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Confidentiality Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary

ENGINEERING SOCIETY OF SYSTEMS SCHOLARS

**Confidentiality Agreement
For Board Of Directors, Officers, Volunteer, Consultants, and Employees**

By signing below, I acknowledge that:

- 1) I have received a copy of the Confidentiality Policy;
- 2) I have read and understand the Confidentiality Policy; and
- 3) I agree to abide by the Confidentiality Policy in my role as a director, officer, volunteer, consultant or employee.

I acknowledge and agree that I will not disclose any Confidential Information, in whatever form to unauthorized parties. I agree that at the end of my relationship with the Corporation, I will destroy or return to the Corporation all records containing Confidential Information in my possession or control regardless of how stored or maintained, including all originals, copies and compilations and all information stored or maintained on computer, tapes, discs, E-mail or any other form of technology.

Signature_____

Printed Name_____

Date_____

ENGINEERING SOCIETY OF SYSTEMS SCHOLARS CONFLICT OF INTEREST POLICY

The following Conflict of Interest Policy (this “Policy”) constitutes the conflict of interest procedures of Engineering Society of Systems Scholars (the “Corporation”).

CONFLICT OF INTEREST

A member of the Board of Directors (the “Board”), member of any Board committee, officer, key employee, highest compensated employee or other person with substantial influence over the affairs of Engineering Society of Systems Scholars (“Interested Person”) has a conflict of interest if they, their Family Member, or a Business Interest (both as defined below) are closely linked to a transaction involving the Corporation and the interest is of such significance to the Interested Person that the interest would reasonably be expected to exert an influence on the Interested Person’s judgment if the Interested Person were called on to vote on the transaction.

FAMILY MEMBER

As used in this Policy, the term “Family Member” means an Interested Person’s spouse, ancestors, siblings, and descendants and the spouses of siblings and descendants.

BUSINESS INTERESTS

As used in this Policy, the term “Business Interest” means a business entity, trust, or estate in which an Interested Person and their Family Members hold, directly or indirectly, 35% or more of the interests.

DISCLOSURE

Any Interested Person with a potential or actual conflict of interest between the Corporation’s interests and the Interested Person’s personal interests, Family Members’ interests, or Business Interests, shall disclose this conflict of interest to the Board on a timely basis.

ABSTENTION

If an Interested Person has a conflict of interest relating to any matter under consideration for a decision by the Board, he or she shall abstain from any vote, discussion (except as the remaining Board deems necessary for informational purposes), or any attempt to influence the decision of the Board on that matter. The Board may also require the Interested Person to be excused from a meeting while the matter is being deliberated and voted on.

INVESTIGATION

The disinterested members of the Board or relevant Board committee, as the case may be, shall review the conflicted transaction and determine whether the Corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement may not be obtained under circumstances that would not give rise to a conflict of interest, the disinterested members of the

Board or Board committee, as the case may be, shall determine whether the conflicted transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation, and the disinterested members of the Board or relevant Board committee shall decide whether to enter into the transaction or arrangement in conformity with such determination.

RECORDING

The fact of an Interested Person's disclosure and abstention shall be noted in the minutes of any meeting during which they occur.

DIRECTOR INDEPENDENCE

The directors shall make decisions in the Corporation's best interests only, without regard to the personal, Family Interests, financial, or Business Interests of any individual director.

COMPENSATION

The Board may hire and compensate individuals for necessary services rendered to the Corporation so long as such compensation is reasonable. The Board shall determine reasonable compensation amounts based upon compensation paid by similarly situated nonprofits for like services. The Board may rely upon salary studies, as well as data regarding compensation paid by at least three specific peer organizations of similar size to determine reasonable compensation. The terms of such compensation, information relied upon to determine the terms of any compensation, and its source shall be recorded in writing.

An individual who is a voting member of the Board or a committee with Board delegated powers and who receives compensation, directly or indirectly, from the Corporation for services is precluded from participating in discussions or votes pertaining to their own compensation.

ANNUAL STATEMENTS

Each Interested Person shall annually sign a Conflict of Interest disclosure statement which affirms that such person:

- 1) has received a copy of the Corporation's Conflict of Interest Policy,
- 2) has read and understands the Corporation's Conflict of Interest Policy,
- 3) has agreed to comply with the Corporation's Conflict of Interest Policy, and
- 4) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

CHANGES TO THE POLICY

This Conflict of Interest Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Conflict of Interest Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary

ENGINEERING SOCIETY OF SYSTEMS SCHOLARS
CONFLICT OF INTEREST DISCLOSURE STATEMENT

As part of its Conflict of Interest Policy Engineering Society of Systems Scholars (the “Corporation”) requires that every Interested Person (defined as members of the Board of Directors (the “Board”), members of any Board committee, officers, key employees, highest compensated employees, or other persons with substantial influence over the affairs of the Corporation disclose interests that could lead to an actual or apparent conflict of interest. This disclosure form is intended to satisfy the Policy’s annual disclosure requirement. Please describe the circumstances surrounding any positive response in the space provided or on a separate sheet. Capitalized terms not defined in this disclosure statement shall have the meaning set forth in the Conflict of Interest Policy.

I. DISCLOSURE

A. Name of Person Signing Disclosure: _____

Capacity (check all which apply):

_____ Member of Board

_____ Member of Board committee

_____ Officer

_____ Key employee

_____ Highest compensated employee

_____ Other person with substantial influence over the affairs of the Corporation

B. Have you, any of your Family Members, or any entity in which you or a Family Member has a 35% interest engaged in any of the following transactions with the Corporation in the past year:

(i) provided services or property to the Corporation in exchange for consideration?

_____ YES _____ NO

(ii) had any direct or indirect interest in any transaction to which the Corporation was or is a party?

_____ YES _____ NO

(iii) become indebted to pay money to the Corporation (other than travel advances or the like)?

____ YES ____ NO

(iv) received or become entitled to receive any personal benefits from the Corporation that in the aggregate could be valued in excess of \$100, that were not or will not be compensation directly related to your duties to the Corporation?

____ YES ____ NO

(v) received compensation from an organization that is related to the Corporation through common supervision or control?

____ YES ____ NO

If yes, please describe the proceeding(s) and if a Family Member or related entity is involved, the identity of the Family Member or related entity and your relationship with that person or entity:

C. Do you have a family relationship or a business relationship with any other officer, director, trustee, or key employee of the Corporation?

____ YES ____ NO

D. Did you receive compensation from any unrelated organization for services rendered to the Corporation?

____ YES ____ NO

E. Are you aware of any other events, transactions or other situations that have occurred or may occur in the future that you believe should be examined by the Corporation in accordance with the terms and intent of its Conflict of Interest Policy?

____ YES ____ NO

If yes to any of the above, please describe the situation(s) and if a Family Member or related entity is involved, the identity of the Family Member or related entity and your relationship with that person or entity:

By signing this Conflict of Interest disclosure, I hereby confirm that:

- 1) I have received a copy of the Corporation's Conflict of Interest Policy,
- 2) I have read and understand the Corporation's Conflict of Interest Policy
- 3) I agree to comply with the Corporation's Conflict of Interest Policy,
- 4) My responses to the above questions are complete and accurate to the best of my information and belief.
- 5) I understand that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.
- 6) If I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with the Conflict of Interest Policy, I will notify an officer of the Board immediately.

Signature._____

Printed Name._____

Date._____

**ENGINEERING SOCIETY OF SYSTEMS SCHOLARS
FUNDRAISING POLICIES AND GUIDELINES**

Charitable fundraising is an important source of Engineering Society of Systems Scholars (the “Corporation”) financial support. The following policies and guidelines of this Fundraising Policy (this “Policy”) govern the Corporation’s fundraising activities:

**ARTICLE I
MISSION**

All fundraising efforts are intended to provide financial support for activities in furtherance of the Corporation’s mission.

**ARTICLE II
PURPOSE OF POLICIES AND GUIDELINES**

The Corporation is committed to maintaining the highest standards of conduct and ethics with respect to its fundraising activities. The Board of Directors (the “Board”) is responsible for ensuring that fundraising activities meet those standards.

**ARTICLE III
COVERED ACTIVITIES**

For purposes of this Policy, the definitions of “fundraising” and “fundraising activities” include, but are not limited to:

- A. Mail solicitations;
- B. Email solicitations;
- C. Personal solicitations;
- D. Vehicle, boat, plane, or similar donations;
- E. Phone solicitations;
- F. Donations submitted via the Corporation’s website;
- G. Donations submitted via another organization’s website;
- H. Government grant solicitations; and
- I. Corporate grant solicitations.

**ARTICLE IV
DONOR RELATIONS**

It is the Corporation’s policy that fundraising be respectful of the needs and interests of the donor or potential donor. The Corporation will take steps to ensure that gifts will be used for the purposes for which they were given and respect the privacy of individual donors. The Corporation recognizes that donors and potential donors have the right:

A. To be informed of the Corporation’s mission, the way solicited funds will be used, and the Corporation’s capacity to use donations effectively for their intended purposes;

B. To be informed of the identity of those serving on the Board and to expect the Board to

exercise prudent judgment in its stewardship responsibilities;

C. To have access to the Corporation's most recent audited financial report;

D. To be assured that their gifts will be used for the purposes for which they were given;

E. To receive appropriate acknowledgment and recognition that complies with the substantiation requirements for tax-deductible contributions;

F. To be assured that information about their donations is handled with respect and confidentiality to the extent permitted by law;

G. To expect professional and respectful conduct from the Corporation's staff;

H. To be informed whether those soliciting donations are volunteers, employees, or hired fundraisers;

I. To have the opportunity to have their names deleted from mailing, email and telephone lists that the Corporation may intend to share; and

J. To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

ARTICLE V CHARITABLE SOLICITATION REGISTRATION REQUIREMENTS

The Corporation shall register where required based on activity and state thresholds. This necessarily requires that the Corporation determine the registration requirements of each state in which it plans to solicit contributions and take steps to comply with those requirements. The Corporation shall cause charitable solicitation registration applications and annual reports to be filed in a timely manner.

ARTICLE VI ADVERTISING MATERIALS

The Corporation must take steps to ensure that any promotional, marketing, or other fundraising material is clear and accurate. Such materials must fairly describe the Corporation, its mission, the purpose or purposes for which funds are sought, and the tax-deductible nature of contributions.

If material is prepared by a paid fundraiser, the Corporation must take steps to review and approve such material before it is distributed to potential donors.

ARTICLE VII FUNDRAISING COSTS

The Corporation must endeavor to hold its fundraising costs to a reasonable level.

**ARTICLE VIII
PAID FUNDRAISERS**

In selecting paid fundraisers, the Corporation will use only those entities or individuals who are registered in the state in which the fundraising will occur. Paid fundraisers must also provide good references. The Corporation must take steps to continuously monitor the performance of paid fundraisers.

If the Corporation engages a paid fundraiser, it must enter into a contractual agreement with that paid fundraiser before funds are solicited. The terms of the agreement must identify:

- A. The purpose of the fundraising which will occur under the contract;
- B. The length of the agreement;
- C. A description of the fundraising methods allowed under the agreement;
- D. An agreement by the paid fundraiser to comply with all applicable state and federal regulations;
- E. The frequency with which the paid fundraiser must report to the Corporation;
- F. The terms of the paid fundraiser's compensation and;
- G. Which entity will control the solicited funds.

Regardless of which party holds responsibility for developing marketing and promotional materials, the Corporation must ensure that all distributed materials accurately and fairly describe the Corporation, its mission, and the purposes for which funds are sought. The materials must also include contact information for the paid fundraiser and the Corporation.

**ARTICLE IX
CHANGES TO THE POLICY**

This Fundraising Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Fundraising Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary

ENGINEERING SOCIETY OF SYSTEMS SCHOLARS GIFT ACCEPTANCE POLICIES AND GUIDELINES

Engineering Society of Systems Scholars (the “Corporation”), a nonprofit corporation organized under the laws of the State of Arizona, encourages the solicitation and acceptance of gifts for purposes that will help to further and fulfill its mission. The following policies and guidelines govern the acceptance of gifts made to the Corporation or for the benefit of any of its programs. This Policy shall apply to all non-cash gifts received for any of the Corporation’s programs or services. All cash gifts will be accepted.

ARTICLE I MISSION

All fundraising efforts are intended to provide financial support for activities in furtherance of the Corporation’s mission.

ARTICLE II CHARITABLE SOLICITATION REGISTRATION REQUIREMENTS

The Corporation’s Board of Directors (the “Board”) and its staff solicit current and deferred gifts from individuals, foundations, and corporations to secure the Corporation’s future growth. The Corporation may have to register in each and every state in which the Corporation accepts gifts of a substantial amount, or that are on a repeated and ongoing basis.

ARTICLE III USE OF LEGAL COUNSEL

The Corporation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Real property interests;
- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming the Corporation as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring the Corporation to assume an obligation;
- Transactions with potential conflicts of interest that may invoke Internal Revenue Service sanctions;
- Limited partnership, limited liability company or s-corporation shares that may be substantially similar to a listed transaction;
- Registration for charitable solicitation; and
- Other instances in which advice of counsel is deemed appropriate by the Board.

ARTICLE IV CONFLICT OF INTEREST

The Corporation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning

consequences. The Corporation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.

ARTICLE V RESTRICTIONS ON GIFTS

Unless the donor has expressly specified one or more restrictions on the use of a gift, all gifts shall be classified as “unrestricted.” The Corporation shall not accept gifts with restrictions that violate the organization’s underlying purpose, Mission or ethical standards in any way.

The Corporation will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its mission, purposes, and priorities. The Corporation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the governing documents, are too difficult to administer, or are for purposes outside the mission. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Corporation’s Gift Acceptance Committee (“Committee”). Examples of the types of gifts the Corporation will not accept include, but are not limited to, the following:

- Gifts that violate any federal, state, or local statute or ordinance
- Gifts that contain unreasonable conditions such as a lien or encumbrance
- Gifts that are financially unsound
- Gifts that could expose the Corporation to liability
- Gifts that are discriminatory in line with local, state and federal laws and Corporation policies
- Securities that are assessable or which in any way may create a liability; those that, by their nature, may not be assigned (such as series “E” savings bonds); those that have no apparent value
- General partnership interests
- Any gift that is substantially similar to a listed transaction

ARTICLE VI THE GIFT ACCEPTANCE COMMITTEE

The Committee shall consist of the Corporation’s officers. The Committee is charged with the responsibility of reviewing all non-cash gifts, properly screening, and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

ARTICLE VII TYPES OF GIFTS

A. The following non-cash gifts are acceptable: tangible personal property; securities; real estate; remainder interests in property; oil, gas, and mineral interests; bargain sales; life insurance; charitable gift annuities; charitable remainder trusts; charitable lead trusts; retirement plan beneficiary designations; bequests; and life insurance beneficiary designations.

B. The following criteria govern the acceptance of each gift form:

1. DIGITAL GIFTS. The Corporation may accept cryptocurrency and non-fungible tokens (“Digital Gifts”) from donors. The Corporation shall establish a digital wallet to collect, hold, sell, trade, and manage Digital Gifts. The Corporation recognizes that the value of Digital Gifts may be dynamic and volatile. Accordingly, the Corporation shall sell, transfer, or otherwise trade Digital Gifts for traditional fiat money as soon as practicable upon receipt of such gift.

The Corporation recognizes that the IRS classifies cryptocurrency as property, not currency. Therefore, the Corporation shall follow all rules related to gifts of property when accepting cryptocurrency gifts. For gifts of two hundred-fifty (\$250) dollars or more, the Corporation shall provide the donor with a noncash donation receipt. If the value of the cryptocurrency gift is over five hundred (\$500) dollars, the donor must file Form 8283, Noncash Charitable Contributions. Finally, if the cryptocurrency gift is valued at more than five thousand (\$5,000) dollars, the donor must receive an appraisal prepared by a qualified appraiser to substantiate the valuation, and the Corporation must sign the donor’s Form 8283.

The Corporation further recognizes that disposing of non-fungible tokens is a taxable event and that it shall be responsible for capital gains and all other applicable taxes when exchanging non-fungible tokens for cryptocurrency.

2. TANGIBLE PERSONAL PROPERTY. All gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the Corporation’s mission?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Committee.

3. PUBLICLY TRADED SECURITIES. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor’s signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases, marketable securities may be restricted by applicable securities laws; in such instances, the Committee shall make the final determination on the acceptance of restricted securities.

4. CLOSELY HELD SECURITIES. Closely held securities, which include not only debt and equity positions in non-publicly traded companies, but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Committee. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent the Corporation from ultimately converting those assets to cash;
- the security is marketable; and
- the security will not generate any undesirable tax consequences.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Committee shall make the final determination on the acceptance of closely held securities and shall be assisted by legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

5. REAL ESTATE. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Corporation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Corporation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, the Corporation shall obtain a title binder prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real estate, the gift shall be approved by the Committee and its legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the Corporation's purposes?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

6. REMAINDER INTERESTS IN PROPERTY. The Corporation will accept a remainder interest in a personal residence, farm or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of its stated life. At the death of the donor, the Corporation may use the property or reduce it to cash. Where the Corporation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

7. OIL, GAS, AND MINERAL INTERESTS. The Corporation may accept oil, gas and mineral property interests, when appropriate. Prior to the acceptance of an oil, gas or mineral interest, the gift shall be approved by the Committee and, if necessary, legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the Corporation has

no current or potential exposure to environmental liability.

8. BARGAIN SALES. The Corporation will enter into a bargain sale arrangement in instances in which the bargain sale furthers its Mission. All bargain sales must be reviewed and recommended by the Committee and approved by the Board. Factors used in determining the appropriateness of the transaction include:

- An independent appraisal substantiating the value of the property.
- If the Corporation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The Corporation's determination that it will use the property or that there is a market for sale of the property allowing sale within 12 months of receipt.
- The costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

9. LIFE INSURANCE. The Corporation must be named as both beneficiary and irrevocable owner before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Corporation will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Corporation may:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

10. CHARITABLE GIFT ANNUITIES. So long as the Corporation has been in continuous operation at least three years and has unrestricted cash or cash equivalents of at least \$300,000, it may offer charitable gift annuities. The Committee may determine the minimum gift for funding. All gift annuities shall comply with A.R.S. §§ 20-119, as amended. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Committee may approve exceptions to this payment schedule.

The Corporation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Corporation may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a five-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Committee approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the

remaining principal contributed in exchange for the gift annuity shall be transferred to the Corporation's general operating funds or to such specific fund as designated by the donor.

11. CHARITABLE REMAINDER TRUSTS. The Corporation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Committee, but it will not accept appointment as Trustee of a charitable remainder trust.

12. CHARITABLE LEAD TRUSTS. The Corporation may accept a designation as income beneficiary of a charitable lead trust, but it will not accept an appointment as Trustee of a charitable lead trust.

13. RETIREMENT PLAN BENEFICIARY DESIGNATIONS. Donors and supporters of the Corporation will be encouraged to name it as beneficiary of their retirement plans. Such designations will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

14. BEQUESTS. Donors and supporters of the Corporation will be encouraged to make bequests to it under their wills and trusts. Such bequests will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

15. LIFE INSURANCE BENEFICIARY DESIGNATIONS. Donors and supporters of the Corporation will be encouraged to name it as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

ARTICLE VIII MISCELLANEOUS PROVISIONS

A. SECURING LEGAL FEES AND APPRAISALS FOR GIFTS TO THE CORPORATION. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Corporation.

B. VALUATION OF GIFTS FOR DEVELOPMENT PURPOSES. The Corporation will record a gift received at its valuation for gift tax purposes on the date of the gift.

C. RESPONSIBILITY FOR INTERNAL REVENUE SERVICE FILINGS UPON SALE OF GIFT ITEMS. The Committee is responsible for filing Internal Revenue Service Form 8282 upon the sale or disposition of any asset sold within two years of receipt when the charitable deduction value of the item is more than \$5,000. The Corporation must file this form within 125 days of the date of sale or disposition of the asset. If the Corporation accepts a vehicle valued at over \$500, it must file Form 1098-C.

D. ACKNOWLEDGMENT OF GIFTS. Acknowledgment of all gifts and compliance with the current Internal Revenue Service requirements in acknowledgment of such gifts shall be the responsibility of the Board.

**ARTICLE IX
CHANGES TO THE POLICY**

This Gift Acceptance Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Gift Acceptance Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary

**ENGINEERING SOCIETY OF SYSTEMS SCHOLARS
RECORD RETENTION POLICY**

Engineering Society of Systems Scholars' (the "Corporation") Record Retention Policy (this "Policy") sets forth the procedures regarding the retention and disposal of records, including electronic documents.

**ARTICLE I
PURPOSE**

The purpose of this Policy is to ensure that necessary records and documents are adequately protected and maintained and that records that are no longer needed or are of no value are discarded at the proper time.

**ARTICLE II
ADMINISTRATION**

Attached as **Appendix A** is a Record Retention Schedule (the "Schedule") that is approved as the initial maintenance, retention and disposal schedule for the Corporation's physical records and electronic documents. The President is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Schedule is followed. The President is also authorized to: make modifications to the Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the Corporation's appropriate document and record categories; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

Note: In the event of a governmental audit, investigation or pending litigation, record disposal shall be suspended upon the direction of the President. In addition, he/she should be informed of any situation that might give rise to legal action as soon as the situation becomes apparent and shall thereafter have the discretion to suspend record disposal as he/she may consider appropriate.

**ARTICLE III
APPLICABILITY**

This Policy applies to all physical records generated in the course of the Corporation's operation, including both original documents and reproductions.

**ARTICLE IV
CHANGES TO THE POLICY**

This Record Retention Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Record Retention Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary

APPENDIX A RECORD RETENTION SCHEDULE

The Record Retention Schedule is organized as follows:

SECTION TOPICS

A	Accounting and Finance
B	Contracts
C	Corporate Records
D	Correspondence and Internal Memoranda
E	Grant Records
F	Insurance Records
G	Legal Files and Papers
H	Miscellaneous
I	Payroll Documents
J	Pension Documents
K	Personnel Records
L	Property Records
M	Tax Records
N	Contribution Records

A. ACCOUNTING AND FINANCE

Record Type	Retention Period
Accounts Payable ledgers and schedules	7 years
Accounts Receivable ledgers and schedules	7 years
Annual Audit Reports and Financial Statements including compiled financial statements and reviews	Permanent
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Annual Plans and Budgets	2 years
Bank Statements and Canceled Checks	7 years
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Notes Receivable ledgers and schedules	7 years
Investment Records	7 years after sale of investment

B. CONTRACTS

Record Type	Retention Period
Contracts and Related Correspondence (including any	7 years after expiration or termination

proposal that resulted in the contract and all other supportive documentation)

C. CORPORATE RECORDS

Record Type	Retention Period
Corporate Records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent
Licenses and Permits	Permanent

D. CORRESPONDENCE AND INTERNAL MEMORANDA

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Correspondence or memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be divided into two general categories:

1. Those pertaining to routine matters and having no significant or lasting consequences should be discarded *within two years*. Some examples include:

- Routine letters and notes that require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
- Form letters that require no follow-up.
- Letters of general inquiry and replies that complete a cycle of correspondence.
- Letters or complaints requesting specific action that have no further value after changes are made or action taken (such as name or address change).
- Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
- Chronological correspondence files.

Please note that copies of interoffice correspondence and documents where a copy will be in the originating department file should be read and destroyed unless that information provides reference or direction to other documents and must be kept for project traceability.

2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.

E. GRANT RECORDS

Record Type	Retention Period
Original grant application	7 years after completion of grant period
Award letter and subsequent modifications, if applicable	7 years after completion of grant period
Grant award reports, both financial and narrative	7 years after completion of grant period
All pertinent formal correspondence including opinion letters of counsel	7 years after completion of grant period
Report assessment forms	7 years after completion of grant period

F. INSURANCE RECORDS

Record Type	Retention Period
Annual Loss Summaries	10 years
Audits and Adjustments	3 years after final adjustment
Certificates Issued to the Corporation	Permanent
Claims Files (including correspondence, medical records, injury documentation, etc.)	Permanent
Group Insurance Plans - Active Employees	Until Plan is amended or terminated
Group Insurance Plans - Retirees	Permanent or until 6 years after death of last eligible participant
Inspections	3 years
Insurance Policies (including expired policies)	Permanent
Journal Entry Support Data	7 years

Loss Runs	10 years
Releases and Settlements	25 years

G. LEGAL FILES AND PAPERS

Record Type	Retention Period
Legal Memoranda and Opinions (including all subject matter files)	7 years after close of matter
Litigation Files	1 year after expiration of appeals or time for filing appeals
Court Orders	Permanent
Requests for Departure from Records Retention Plan	10 years

H. MISCELLANEOUS

Record Type	Retention Period
Consultant's Reports	2 years
Material of Historical Value (including pictures, publications)	Permanent
Policy and Procedures Manuals - Original	Current version with revision history
Policy and Procedures Manuals - Copies	Retain current version only
Annual Reports	Permanent

I. PAYROLL DOCUMENTS

Record Type	Retention Period
Employee Deduction Authorizations	4 years after termination

Payroll Deductions	Termination + 7 years
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Assignments, Attachments	Termination + 7 years
Labor Distribution Cost Records	7 years
Payroll Registers (gross and net)	7 years
Timecards/Sheets	3 years
Unclaimed Wage Records	6 years

J. PENSION DOCUMENTS AND SUPPORTING EMPLOYEE DATA

General Principle: Pension documents and supporting employee data shall be kept in such a manner that the Corporation can establish at all times whether or not any pension is payable to any person and, if so, the amount of such pension.

Record Type	Retention Period
Retirement and Pension Records	Permanent

K. PERSONNEL RECORDS

Record Type	Retention Period
Commissions/Bonuses/Incentives/Awards	7 years
EEO- I /EEO-2 - Employer Information Reports	2 years after superseded or filing (whichever is longer)
Employee Earnings Records	Termination + 7 years
Employee Handbooks	1 copy kept permanently
Employee Medical Records	Termination + 6 years
Employee Personnel Records (including individual	6 years after termination

attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training, and qualification records)

Employment Contracts - Individual	7 years after termination
Employment Records - Correspondence with Employment Agencies and Advertisements for Job Openings	3 years from date of hiring decision
Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited, results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence)	2-4 years (4 years if file contains any correspondence which might be construed as an offer)
Job Descriptions	3 years after superseded
Personnel Count Records	3 years
Forms I-9	3 years after hiring, or 1 year after termination if later

L. PROPERTY RECORDS

Record Type	Retention Period
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Original Purchase/Sale/Lease Agreement	Permanent
Property Insurance Policies	Permanent

M. TAX RECORDS

General Principle: The Corporation must keep books of account or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any such return.

These documents and records shall be kept for as long as the contents thereof may

become material in the administration of federal, state, and local income, franchise, and property tax laws.

Record Type	Retention Period
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Excise Tax Records	7 years
Payroll Tax Records	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Work paper Packages - Originals	7 years
Sales/Use Tax Records	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent

N. CONTRIBUTION RECORDS

Record Type	Retention Period
Records of Contributions	Permanent
Wills, trusts or other documents evidencing terms of gifts	Permanent

**ENGINEERING SOCIETY OF SYSTEMS SCHOLARS
SIGNATURE AUTHORITY POLICY**

I. PURPOSE OF POLICY

Engineering Society of Systems Scholars’ (the “Corporation”) Signature Authority Policy (this “Policy”) is intended to ensure that commitments of its resources are properly reviewed and approved and that its contracts and agreements are signed by authorized officials. It identifies who within the Corporation is authorized to commit institutional resources on its behalf through agreements executed in its name. It also describes necessary steps in the contract review process and protocols for the delegation of signatory authority.

II. APPLICABILITY OF THE POLICY

This Policy is applicable to all the Corporation’s officers and employees. It governs contractual agreements relating to commercial and non-commercial transactions, such as those involving goods, supplies, equipment, services, and real property.

III. SIGNATURES REQUIRED FOR CHECKS AND FUND TRANSFERS

Checks and fund transfers may be authorized as follows:

	President	One Additional Board Member	Board Resolution
Budgeted financial commitments of \$1,000 or less	Required	Not Required	Not Required
Budgeted financial commitments greater than \$1,000 and less than \$3,000	Required	Required	Not Required
Unbudgeted financial commitments and budgeted financial commitments of \$3,000 or more	Required	Required	Required

IV. CONTRACT APPROVAL AUTHORITY

Purchase orders and contracts may be executed as follows:

	President	One Additional Board Member	Legal Counsel Review and Board Resolution
All budgeted purchase orders and contracts committing less than \$1,000 or whose terms are no more than one year	Required	Not Required	Not Required
Budgeted purchase orders and contracts whose values or financial exposure are greater than \$1,000 but less than \$3,000 or whose terms are greater than one year but less than three years	Required	Required	Not Required
Unbudgeted purchase orders and contracts as well as budgeted purchase orders and contracts whose values or financial exposure are greater than \$3,000 or whose terms are greater than three years	Required	Required	Required

V. CHANGES TO THE POLICY

This Signature Authority Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Signature Authority Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary

**ENGINEERING SOCIETY OF SYSTEMS SCHOLARS
TRAVEL AND EXPENSE REIMBURSEMENT POLICY**

The following policy constitutes the procedures followed by Engineering Society of Systems Scholars (the “Corporation”) for its travel and expense reimbursements.

**ARTICLE I
WHO IS REIMBURSED**

Members of the Board of Directors (the “Board”), officers, committees, special committees, staff and authorized representatives shall be reimbursed for pre-authorized expenses incurred while on Board approved corporate business.

**ARTICLE II
REIMBURSEMENT**

Ordinary and necessary business and professional expenses incurred on behalf of the Corporation are reimbursable only if receipts adequately substantiate the expenses. Receipts are required for all expenditures for which reimbursement is sought whether paid by the individual, billed to the individual, or billed directly to the Corporation. Receipts are similarly required for all credit card charges, airfare and applicable hotel charges.

Requests for reimbursement should be submitted within thirty (30) days of completion of the trip, accompanied by an explanation for all unusual items or amounts. Allow at least two (2) weeks after receipt for reimbursement.

Advances that are not substantiated within thirty (30) days must be returned (paid back) to the Corporation within sixty (60) days.

**ARTICLE III
REIMBURSABLE TRANSPORTATION EXPENSES**

Airfare - The least expensive direct, nonstop commercial airfare in coach class will be reimbursable from the airport nearest the traveler’s home or office to the airport nearest the destination.

Airline reservations should be made at least fourteen (14) days in advance of travel. Detailed reservation reports should be sent to the Corporation's business office. Any additional expense related to companion travel is the responsibility of the traveler. Preferred carriers may be utilized if the airfare is equivalent to the lowest fare available. Mileage earned and compensation for denied boarding awarded to the traveler while on Corporation business is the property of the traveler and may be used at the traveler’s discretion.

Automobile, train, or bus - Total reimbursable expenses, including expenses incurred en route, shall not exceed the cost of airfare. Automobile expenses shall be reimbursed at the Corporation’s then current mileage reimbursement rate.

Shuttle, taxi, personal automobile, or other similar cost means to and from the airport at

the points of origin and destination, if essential for business purposes.

Parking - Parking at the airport of origin if personal automobile is used. Parking at the meeting site if travel by automobile is required.

ARTICLE IV LODGING

Lodging at the single-room rate for days of meetings, including night before and after if flight schedules make such stays necessary. Lodging expenses must be kept reasonable. Travelers are advised to select the lowest-rate accommodation that provides adequate business amenities, health standards, and security. Alternatively, selections may be made from the reasonable advice of partners based at the site of travel. The Corporation reserves the right to only partially reimburse accommodations that could be reasonably determined to be extravagant. Examples of such may include, but not limited to, luxury resorts or 5-star hotels.

ARTICLE V MEALS

The reasonable cost of meals while attending meetings and while in transit to and from the meeting site. If, in addition, meals are purchased for others, the individuals must be identified as those for whom the Corporation has responsibility for such expenses.

ARTICLE VI SATURDAY NIGHT STAY

If the airfare saving for a Saturday-night-stay is greater than or equal to the lodging, meals, and other reimbursable expense for the additional day(s) stay, the traveler has the option to stay and be reimbursed for expenses (up to the saved amount) for the additional day(s).

ARTICLE VII NONREIMBURSABLE EXPENDITURES

Under no circumstances will the Corporation reimburse employees for business or professional expenses incurred on behalf of the employee that are not properly substantiated. Such nonreimbursable expenditures include the following:

- First-class upgrades in air travel.
- When lodging accommodations have been arranged by the Corporation and the traveler elects to stay elsewhere, reimbursement is made at an amount no higher than the rate negotiated by the Corporation, and reimbursement is not made for transportation between the alternate lodging and meeting site.
- If an individual accompanies the traveler, it is the responsibility of the traveler to determine the added cost for double occupancy and related expenses and to make the appropriate adjustment in the reimbursement request.
- Personal non-business-related entertainment costs including movies, liquor, or bar costs.

**ARTICLE VIII
CHANGES TO THE POLICY**

This Travel and Expense Reimbursement Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Travel and Expense Reimbursement Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary

ENGINEERING SOCIETY OF SYSTEMS SCHOLARS WHISTLEBLOWER POLICY

The Whistleblower Policy (this “Policy”) is intended to encourage and enable employees and others to raise serious concerns within Engineering Society of Systems Scholars (the “Corporation”) prior to seeking resolution outside the Corporation. There will be no punishment or other retaliation for the reporting of conduct pursuant to this Policy. If the person providing the information requests anonymity, the request will be respected to the extent that doing so does not impede an investigation.

The Corporation promotes ethical conduct, transparency and compliance with the law and requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Should any person know of, or have a suspicion about, illegal or unethical conduct in connection with the finances or other aspect of its operations, that person should inform the President. If the alleged wrongdoing concerns the President, then another officer or director should be notified instead.

Should the President or another officer or director receive information regarding alleged illegal or unethical conduct in connection with the finances or other aspect of operations, those officers or directors shall inform the full Board of Directors (the “Board”). The Board shall investigate all credible allegations and, at all times, respect the privacy and reputation of individuals involved.

CHANGES TO THE POLICY

This Whistleblower Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Whistleblower Policy was duly adopted by the Board of Directors effective as of December 2, 2025.

**ENGINEERING SOCIETY OF SYSTEMS
SCHOLARS**



Emily Liu, Secretary