



# The Navy League of the United States Honolulu Council Handbook

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Date: 11/10/2015



*U.S. Navy*



*U.S. Marine Corps*



*U.S. Coast Guard*



*U.S. Merchant Marine*

## VERSION HISTORY AND RECORD OF CHANGES

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Version #	Implemented By	Revision Date	Approved By	Approval Date	Reason
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# NAVY LEAGUE OF THE UNITED STATES HONOLULU COUNCIL HANDBOOK

## **1. INTRODUCTION**

### **1.1. NAVY LEAGUE OF THE UNITED STATES HONOLULU COUNCIL**

The Navy League of the United States, Honolulu Council (hereafter referred to in this document as “Navy League” or “the Council”) was incorporated as a non-profit corporation in the State of Hawaii on June 16th, 1997.

### **1.2. MISSION STATEMENT**

The Navy League of the United States has three missions: to enhance the morale of active-duty personnel and their families; inform Congress and the American public on the importance of strong sea services; and support youth through programs such as the Naval Sea Cadet Corps, Junior ROTC and Young Marines that expose young people to the values of our sea services. The Navy League Honolulu Council is dedicated to supporting these missions through our membership, programs, events, volunteers, professional staff, and endowment fund.

## **2. SCOPE AND AUTHORITY OF THIS DOCUMENT**

This document describes operating procedures and serves as a handbook for the Navy League Honolulu Council. Its purpose is to describe processes and procedures in order to ensure best practices, accountability, and continuity of operations for the council. National and Council Bylaws take precedence over this manual. Periodic updates and additions may be proposed by any Navy League Honolulu Council board member, officer or member of the professional staff. Changes will be reviewed by the Navy League Honolulu Council President and Executive Director and approved by the Board of Directors.

## **3. ORGANIZATION**

### **3.1. PROFESSIONAL STAFF**

#### **3.1.1. Executive Director**

The Executive Director reports to the Board of Directors through the President, and is responsible for Navy League's consistent achievement of its mission and financial objectives.

Executive Director will:

- Be responsible for the recruitment, employment, and oversight of all Council personnel, both professional staff and volunteers.
- Coordinate and oversee fundraising to ensure that adequate funds are available to permit the Council to execute its mission.

- Assure that the organization has a long-range strategy which achieves its mission, and toward which it makes consistent and timely progress.
- Ensure that donor, sponsor, and member databases are current and complete.
- Oversee and coordinate the recruitment of new members. Conduct a twice yearly membership renewal campaign during the months of March and September.
- Provide leadership in developing programs, organizing events, and attaining financial goals with the Board of Directors and President.
- Promote active and broad participation by volunteers in all areas of the organization's work.
- Maintain official records and documents as prescribed in Appendix G of this document, and ensure compliance with federal, state and local regulations as well as applicable by-laws, both Navy League of the United States and Honolulu Council.
- See that the President and the Board of Directors are kept fully informed on the condition of the organization and all important factors influencing it.
- Publicize the activities of the organization, its programs and goals.
- Establish sound working relationships and cooperative arrangements with local representatives of the sea services.
- Represent the programs and point of view of Navy League to agencies, organizations, and the general public.
- Along with the President and Secretary, conduct official correspondence of the Navy League Honolulu Council, and jointly, with designated officers and as authorized by the Board of Directors, execute legal documents.

### **3.1.2. Office Manager**

The Office Manager reports to the Executive Director, and is responsible for overall office activities, including the reception area, mail, and facilities. The office manager is also responsible for directing and coordinating office services and related activities, including developing and supervising programs for the maximum utilization of services and equipment. The Office Manager shall assist the Executive Director in the execution of all programs and Navy League events.

Duties of the Office Manager include but are not limited to:

- Pick-up, drop-off, and sorting of mail
- Purchasing and maintaining an inventory of office supplies
- Making bank deposits
- Processing deposits and expenses in the accounting software
- Processing payroll
- Processing membership renewals for Bridge members
- Maintenance of membership, donor, and sponsorship databases
- Processing Bridge member applications
- Preparation of O-180 forms (Gold Cards) and Friends of K-Bay
- Drafting emails and flyers for Navy League events

- Providing arrangements for office meetings
- Support for special events to include booking dates, drafting notices and invitations, compiling guest lists, arranging for assigned seating where applicable, and creating event program guides

### **3.2. ELECTIVE OFFICE**

#### **3.2.1. Directors (Three Year Term of Office)**

The Navy League Honolulu Council Board of Directors acts as trustee of the organization's assets and ensures that the organization is well managed and remains fiscally sound. In doing so, the board must exercise proper oversight of the organization's operations and maintain the legal and ethical accountability of its staff and volunteers. The main legal responsibilities of the Navy League Honolulu Council Board of Directors are summarized below:

- Duty of care: Board members are expected to actively participate in organizational planning and decision-making and to make sound and informed judgments.
- Duty of loyalty: When acting on behalf of the organization, board members must put the interests of the Navy League before any personal or professional concerns and avoid potential conflicts of interest.
- Duty of obedience: Board members must ensure that Navy League Honolulu Council complies with all applicable federal, state, and local laws and regulations, and that it remains committed to its established mission.

In addition to its legal responsibilities, the board acts in a fiduciary role by assisting in fundraising efforts and maintaining oversight of the Council's finances. Board members must evaluate financial policies, approve annual budgets, and review periodic financial reports to ensure that the organization has the necessary resources to carry out its mission and remains accountable to its donors and the general public.

The Board of Directors assigns membership for the two standing committees specified in the Council's bylaws; the Nominating Committee and the Finance Committee.

#### **3.2.2. President (One Year Term of Office)**

The President shall be the chief executive officer of the Council and shall preside at all meetings of the members and the Board of Directors. The President shall have power and authority to sign contracts and other documents on behalf of the Council. The Council President serves as Navy League's single official point of contact with all Oahu-based military commands. Area and Region Presidents serve as the Council President's interface to the national Navy League organization. The President shall be a voting member of the Board of Directors.

#### **3.2.3. Senior Vice President (One Year Term of Office)**

In the absence of the President or in the event of the President's inability or refusal to act, the Senior Vice President shall perform the duties of the President and when so acting shall have all the powers



of and be subject to all of the restrictions upon the President. The Senior Vice President shall perform such other duties as may from time be assigned by the President or the Board of Directors. The Senior Vice President shall be a voting member of the Board of Directors.

**3.2.4. Secretary (One Year Term of Office)**

The Secretary shall be responsible for the keeping (or causing to be kept) the minutes of the meetings of the Board of Directors and the members and for notifying the Directors and the members as to the time and place of these meetings. The Secretary shall keep a register of all members, Directors and Officers and shall record all changes. The Secretary shall keep an authenticated copy of the By-Laws in force. The Secretary shall oversee the conduct of the annual election of Directors of the Council and shall ensure that the By-Laws are carefully complied with in this regard. The Secretary shall perform such other duties as may from time be assigned by the President or the Board of Directors.

**3.2.5. Treasurer (One Year Term of Office)**

The Treasurer shall be responsible for monitoring the financial records of the Council and for overseeing the Council budget. The Treasurer shall report to the President and the Board as to the financial condition of the Council. The Treasurer shall perform such other duties as may from time be assigned by the President or the Board of Directors.

**3.2.6. Judge Advocate (One Year Term of Office)**

The Judge Advocate shall be the legal advisor of the Council. The Judge Advocate will be familiar with the Constitution and By-Laws of National and the Council and interpret them upon request and rule upon questions of procedure. Upon request by the Board of Directors, the Judge Advocate shall furnish opinion upon matters affecting the Council's activities and proposed activities. The Judge Advocate shall perform such other duties as may from time be assigned by the President or the Board of Directors.

**3.2.7. Deputy Judge Advocate (One Year Term of Office)**

The Deputy Judge Advocate shall perform the duties of the Judge Advocate in the absence of the Judge Advocate.

**3.2.8. Parliamentarian (One Year Term of Office)**

The Parliamentarian shall be familiar with the By-Laws of the Council and with Roberts Rules of Order and shall advise the President with respect to proper procedures in the daily conduct of the business of the Council. The Parliamentarian shall perform such other duties as may from time be assigned by the President or the Board of Directors.

**3.2.9. Chaplain (One Year Term of Office)**

The Chaplain shall perform such duties as may from time to time be assigned by the President or the Board of Directors.

### **3.3. APPOINTIVE OFFICE**

#### **3.3.1. Vice Presidents**

The Vice Presidents shall have such duties and authority as the President or Board of Directors may from time to time assign to them.

## **4. OFFICE OPERATIONS**

### **4.1. WORK AND OFFICE HOURS**

With only two members of the Navy League Honolulu Council professional staff, the Navy League Office is a “virtual” office, without published and predictable hours when the physical office, located on Joint Base Pearl Harbor Hickam, is open for unscheduled visits or “walk-in” traffic. Calls placed to the office phone will be returned no later than the next business day. Professional staff members often work outside of what for many would be considered “normal” working hours, as they are frequently called upon to support Navy League luncheons, dinners, receptions, and special events.

### **4.2. FACILITY MANAGEMENT**

The Navy League Honolulu Council office is located on Navy property aboard the Joint Base Pearl Harbor Hickam. The Navy maintains the facility, to include overhead lighting, plumbing, and other utilities. Navy League is responsible for maintaining the cleanliness of the space.

### **4.3. PHYSICAL SECURITY**

The Navy is responsible for physical security. Navy League professional staff members maintain a set of keys to the office building and have access to the locked gate that provides access to the parking area and building. Keys to the building are also maintained by Pearl Harbor MWR and U.S. Navy Region Hawaii front office.

### **4.4. COMPUTER SECURITY**

Computers used by the professional staff shall be password protected for login as well as access to email. Full data backups shall be conducted daily as a minimum. Anti-virus software shall be used and maintained current.

### **4.5. RECORDS MANAGEMENT**

Navy League Honolulu Council maintains many records that need to be protected, to include donor and sponsor information, member records, and credit card information (see Appendix B). It is imperative that “best practices” be employed to protect these records from loss or theft. Offsite daily backup for electronic records is encouraged. A locked file cabinet will be used to store hard copy records.

### **4.6. WEBSITE MANAGEMENT**

A website is essential for Navy League operations and is invaluable for recruiting members and promoting fundraising. However, a website with outdated information or one that does not project a

favorable impression of the organization is a detriment. With that in mind, special attention needs to be given to the Navy League Honolulu Council to ensure all information is current and that the site is functioning as it was designed.

## **5. FINANCIAL MANAGEMENT**

### **5.1. DIVISION OF RESPONSIBILITIES**

#### **5.1.1. Board of Directors**

- Reviews and approves annual budgets
- Reviews annual and monthly financial statements and information.
- Review's Executive Director's performance annually and establishes the salary
- Approved Board members are authorized signers on the bank accounts

#### **5.1.2. President**

- Presents annual budget to the Board of Directors for approval
- Submits annual report to Navy League National office
- Authorized signer on the bank accounts
- Authorized to sign contracts on behalf of Navy League Honolulu Council

#### **5.1.3. Executive Director**

- Develops an appropriate budget annually and monitors it throughout the year
- Reviews and approves all financial reports including cash flow projections
- Reviews and signs all issued checks
- Approves inter-account bank transfers
- Responsible for all personnel files
- Oversees adherence to all internal controls

#### **5.1.4. Treasurer**

- Reviews and presents annual and monthly financial information to the Board of Directors
- Reviews and advises management on internal controls and accounting policies and procedures
- Works with the tax preparer to ensure the organization is in compliance with tax regulations

#### **5.1.5. Office Manager/Accountant**

- Office Manager/Accountant
- Overall responsibility for data entry into accounting system and integrity of accounting system data
- Processes invoices and prepares checks for signature(s)
- Makes bank deposits
- Maintains general ledger
- Receives and opens all incoming mail

- Mails vendors checks
- Manages accounts receivable
- Reconciles all bank accounts
- Prepares monthly and year-end financial reports
- Processes payroll

## **5.2. CHART OF ACCOUNTS AND GENERAL LEDGER**

- Navy League has a designated Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type). The Office Manager is responsible for maintaining the Chart of Accounts and revising as necessary. Changes to the Chart of Accounts are only made when instructed by the President, Executive Director, or Treasurer.
- The general ledger is automated and maintained using our accounting software. All input and balancing is the responsibility of the Office Manager.
- The Executive Director and Treasurer review the general ledger on a monthly basis for any unusual transactions.

## **5.3. CASH RECEIPTS**

- The Office Manager receives and date stamps incoming mail and makes a copy of the checks. The checks are kept in a locked cabinet prior to deposit. The Office Manager processes the deposit and takes it to the bank for deposit.
- The Office Manager inputs the deposit into our accounting software and verifies that the deposit slip agrees to the general ledger. Receipts are provided to payers/donors and a copy is maintained by the Navy League.

## **5.4. WRITE-OFF-POLICY**

Uncollectible accounts are considered aged accounts receivable  $\geq 360$  days. The request for write-off of accounts receivable must include an itemized list of the uncollectible accounts to be written off. The President, Executive Director or Treasurer may approve the write-off of uncollectible accounts. The Office Manager will record the write-off after approval by the Executive Director or Treasurer.

## **5.5. CASH DISBURSEMENTS**

The council's formal cash disbursement policy is outlined in Appendix C.

## **5.6. DEBIT AND CREDIT CARD POLICY AND CHARGES**

Employees who are authorized to carry a Navy League debit card and/or credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budget, laws and regulations, and the entities from which Navy League receives funds.

The receipts for all debit and credit card charges over \$25 will be given to the Office Manager within two (2) weeks of the purchases along with proper documentation. The Office Manager will verify all debit and credit card charges with the monthly statements. The Executive Director shall review the Office Manager's charges and receipts over \$100 for the month. The Executive Director will initial the documentation as evidence of review.

### **5.7. BANK ACCOUNT RECONCILIATIONS**

Bank statements are received by the Office Manager. The Office Manager will verify that voided checks, if returned, are appropriately defaced and filed. The Office Manager will investigate any checks that are outstanding over 6 months. The Office Manager will prepare the monthly bank reconciliation(s). The reconciliation report, applicable bank statement, and supporting documentation will be reviewed and approved by the Executive Director. In the Executive Director's absence, it will be approved by the Treasurer.

### **5.8. PROPERTY AND EQUIPMENT**

Property and equipment includes items such as:

- Office furniture and equipment
- Computer hardware
- Computer software
- Leasehold improvements

It is the Navy League's policy to capitalize all items which have a unit cost greater than five hundred dollars (\$500). Items purchased with a value or cost less than \$500 will be expensed in the period incurred.

The depreciation period for capitalized assets is as follows:

- Computer hardware – 60 months
- Office equipment – 60 months
- Office furniture – 84 months
- Computer software – 36 months
- Leasehold improvements – length of lease

A fixed asset log is maintained by the Office Manager including date of purchase, asset description, purchase/donation information, cost/fair market value, and life of asset.

Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets will be written down to their actual value.

### **5.9. PERSONNEL RECORDS**

All personnel files contain the following documents:

- Application or resume
- Date of employment
- Position and pay scale
- Authorization of payroll deductions
- W-4 withholding authorization
- I-9 form (may be kept separate from personnel file in a secure location)
- Termination date where applicable

All personnel files are to be kept in a secure, locked file cabinet and only accessed by authorized personnel.

### **5.10. PAYROLL PROCESSING**

Navy League uses Ceridian, 3rd party vendor, to process and transmit payroll for its employees. All quarterly federal and state payroll reports will be prepared by Ceridian and filed appropriately. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

Payroll is processed on the 15th and 30th of each month. In a month without thirty days, payroll is processed on the last day of the month. The Office Manager logs in to the Ceridian website five days prior to payroll date and approves payroll for processing.

Any changes to the standing information in the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by the appropriate employment form(s) and signed by the Executive Director or approved by the Board if it relates to the President.

The Office Manager will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.

Employees may choose to direct deposit to a designated bank account. Their paycheck is deposited directly into the designated account on the payroll date. The employee will receive a verification stub.

### **5.11. END-OF-MONTH AND YEAR-END CLOSE**

At the end of each month, the Office Manager will review the balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expense match payroll reports including federal and state payroll tax filings.

## 6. RECRUITMENT AND INSTALLATION

### 6.1. RECRUITMENT OF NEW MEMBERS

All Navy League members, professional staff, officers, and board members are responsible for the recruitment and retention of members (see U.S. Navy League Membership Recruitment Guide, available at [www.navyleague.org/files/councils/Council\\_Guides/Membership-Recruitment-Guide-July2001.pdf](http://www.navyleague.org/files/councils/Council_Guides/Membership-Recruitment-Guide-July2001.pdf)).

### 6.2. INSTALLATION CEREMONY AND OATH OF OFFICE

All Navy League Honolulu Council officers and Board Members will be provided instruction by the President or his designated representative(s), installed with appropriate ceremony (sample contained Fr

“I do solemnly swear (or affirm) that, during the term of office for which I have been elected, I shall faithfully serve, to the best of my ability, the interest of our Nation, its maritime services and the United States Navy League.”

## 7. EVENTS AND PROGRAMS

### 7.1. AD HOC EVENTS

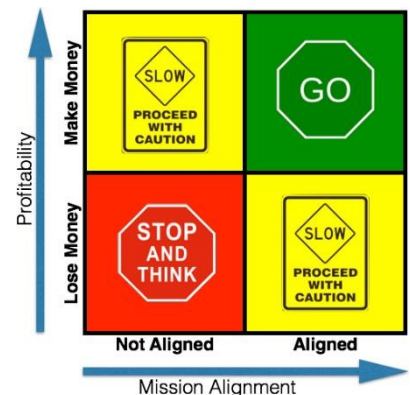
From time to time the Navy League will be asked to sponsor local events, sometimes on short notice. Many of these events align well with the Navy League mission, but some do not. Some may provide fundraising opportunities for the Council, and some may not. If any Navy League funding is required for sponsorship, approval by Board of Directors shall be required. In making the determination as to whether to sponsor any specific ad hoc event, the quad chart to the right on this page should be used as a guide.

### 7.2. RECURRING EVENTS

.An event chair shall be appointed by the President for each recurring event. The event chair may elect to form a committee to assist in coordinating the event. The Navy League office shall maintain a file for each recurring event which will be made available to the event chair. The file may consist of both hard and soft copy documents. Examples of documents to be archived in this manner include sponsors, donors, volunteer list, attendee rosters, invoices, and planning documents. Once an event is completed the event chair shall update the file and include a lessons learned for use the following year.

#### 7.2.1. MONTHLY BOARD MEETINGS

The Honolulu Council Board of Directors will meet at least monthly. Those attending who are not board members or officers will be invited to leave after they make their reports before the board



conducts its business. They may stay if they wish. Meetings which include only voting members may be held periodically in accordance with the Council's bylaws.

### **7.2.2. MEMBER EVENTS**

Member events will be held quarterly as a minimum. These events may include luncheons with a guest speaker, ship visits, or shore facility tours.

### **7.2.3. MONTHLY BRIDGE EVENTS**

The Bridge is an exclusive group of Honolulu Council members who are among our community leaders and local business professionals whose influence and annual support significantly enhance the endeavors of the Honolulu Council. In recognition of this high level of support, special VIP programs, privileges and activities are scheduled monthly which provide unique opportunities for Bridge members to interact with Navy, Marine Corps, Coast Guard and Maritime business communities. As Navy League members, Bridge members are invited to attend to participate in member events.

### **7.2.4. ANNUAL MEETING**

The Honolulu Council hosts its Annual Meeting and Awards Dinner in January of each year. This is the Council's annual business meeting where newly elected board members are installed with appropriate ceremony (see section 6.2 above). In addition, the Council president uses this occasion to inform the membership of his or her plans for the upcoming year and recognize a wide array of members and community leaders who have made their contributions to the Navy League mission during the previous calendar year. This is a premium event, and is held at an upscale location with various military commanders in attendance. We invite one of our local flag or general officer commanders as the keynote speaker.

### **7.2.5. PACIFIC FLEET SAILOR OF THE YEAR**

This event is co-hosted by the Pacific Fleet's Command Master Chiefs and the Honolulu Council in April of each year. Its purpose is to recognize outstanding performance by individuals from ship and ashore commands in the Pacific Fleet area of responsibility. The overall winner of this event goes on to compete in the Navy-wide Sailor of the Year competition. Past year's event featured the Senior Command Master Chief of the Navy, the Pacific Fleet Commander and various flag officers. The Pacific Fleet Commander is the keynote speaker at this event and the commander's schedule determines date.

### **7.2.6. COMBINED MILITARY APPRECIATION BAND CONCERT**

This joint service event is held in conjunction with the National Military Appreciation Month in early May and is open to the public. Venues have included the Hawaii Theatre and the Hale Koa hotel, where the inaugural Navy League sponsorship event in 2012 drew over 1200 people and was standing room only. Numerous flag and general officers along with community leaders attend this event. The council also hosts an invitation-only Navy League VIP reception. The concert celebrates the musical history of our military bands and kicks off National Military Appreciation Month in Hawaii. Radio promotions are used to acknowledge event sponsors.



### **7.2.7. KEY SPOUSE AWARD**

This ceremony is co-hosted by the Mayor of Honolulu and recognizes key military spouses who have played a significant role in helping to foster communication, cooperation, and support amongst families within their respective commands. Recognition is provided to the following services and commands; Army, Air Force, Navy, Marine Corps, Coast Guard, Army National Guard, Air National Guard, and U.S. Pacific Command. A ceremony is held at the Mayor's office and a second ceremony prior to the University of Hawaii home football game designated as "Military Night". In 2015 this will occur on October 31st when Hawaii hosts Air Force at Aloha Stadium. Community partners are a part of the ceremony and acknowledged with appropriate press/public coverage.

### **7.2.8. PEARL HARBOR NAVY SHIPYARD GRADUATION CEREMONY**

This event marks the August matriculation of Pearl Harbor Navy Shipyard apprentices. The council president or representative delivers checks to honor graduates. These students must complete a rigorous apprentice program in partnership with Honolulu Community College and are awarded an Associate Degree in Applied Trades. The Navy League presents (2) checks to the honor graduates. A selected community partner or sponsor will join the council representative in presenting the checks.

### **7.2.9. PATRIOT AWARD DINNER**

This is the council's marquee event each year and primary fundraiser. Each year one or two "American Patriots" are accorded this honor by the Council. Awardees are chosen by the Past President's Council and current President and approved by the Board of Directors. Selection is based upon a lifetime of service to the nation and/or State of Hawaii. The honoree should have as a minimum a strong connection to one of the maritime services. Attendance may vary from 300 to 900 people. Our target net is \$120k each year to fund our programs. The date for this event is determined by honoree availability.

### **7.2.10. USCG SAILOR OF THE YEAR**

The Navy League purchases plaques for the honoree and the Council President and/or Executive Director attend and present.

### **7.2.11. NAVY LEAGUE ANNUAL SUMMER GOLF TOURNAMENT**

The council conducts an annual "Summer Golf Tournament". As with any golf tournament, this event requires meticulous planning and months of lead time. Initially an event chair needs to be appointed. The event date must be selected and confirmed with the golf course at least two, and preferably three months in advance. The event chair shall be responsible for the event in its entirety, and the executive director shall provide support as a priority, to include publicity, registration, cash management, and sponsorship. Budgets for expenditures and anticipated revenue should be discussed and determined in the planning phase, along with the expectations and purpose of the tournament, be it fundraising, recruiting, or just a "fun" event for Navy League members and their guests. The event chair may elect to recruit an "honorary chair", a distinguished member of the council such as an industry executive or retired flag/general officer, to add prestige to the event and

encourage community support. Following the event the chair shall provide an informational folder (or update the existing folder) as “pass down” to the next event chair. This folder should include key sponsors, participants, points of contact, and “lessons learned” from the event.

#### **7.2.12. NAVY LEAGUE TOYS FOR TOTS GOLF TOURNAMANT**

The council has traditionally sponsored a “Toys for Tots” golf tournament in late November or early December. It is branded via our media and press coverage as the Navy League Toys for Tots Golf Tournament. Ms. P. Pasha Baker, whose late husband founded Toys for Tots in Hawaii during the 1970s, serves as honorary chairwoman. The primary objective is a “Toy Harvest” vice a fund raising effort. Each golfer must bring two toys. The council coordinates with the USMC Toys for Tots program for pick-up of toys on golf day.

#### **7.2.13. SEA SERVICE AWARDS**

This annual luncheon recognizes outstanding performing men and women from the Sea Services (Navy, Marine Corps, and Coast Guard). Approximately 35 – 50 individuals are honored and presented awards. The top enlisted and junior officer is also recognized from this group. The guest speaker is a flag or general officer. The Navy League also provides the Pearl Harbor Naval Shipyard’s employee of the year with an award. The event is attended by approximately 300 guests, including flag and general officers from the awardees’ respective commands.

#### **7.2.14. RIMPAC EVENTS**

RIMPAC, the Rim of the Pacific Exercise, is the world's largest international maritime warfare exercise and is held biennially during June and July of even-numbered years. It is hosted and administered by the United States Navy's Pacific Fleet in conjunction with the Marine Corps, the Coast Guard, and Hawaii National Guard forces under the control of the Governor of Hawaii Navy League has in last couple of years conducted a concluding breakfast with the Commander, Third Fleet Commander as speaker. We have used the Pacific Aviation Museum as the venue and with the assistance of U.S. Navy public affairs invited several sailors from each participating country to attend.

#### **7.2.15. PEARL HARBOR DAY**

The Navy League President is routinely invited to lay a wreath with other VIP’s at the main ceremony. Navy League members are invited to ride a free trolley and participate in the Pearl Harbor parade through Waikiki.

#### **7.2.16. FRIENDS OF WINDWARD WOUNDED WARRIORS**

The Council provides support to the USMC Wounded Warrior Regiment Detachment Hawaii through the Council’s Friends of Windward Wounded Warriors program. The Council’s Board of Directors shall approve oversight and approve expenditures in excess of \$3,000. A standing Friends of Windward Wounded Warriors Committee shall coordinate day to day operations and the disbursement of funds. The standing committee shall provide monthly reports to the Board of Directors.

### **7.2.17. ADOPT-A-SHIP PROGRAM**

The purpose of the Navy League's Adopt-a-Ship program is to concentrate the efforts of local Navy League members on a particular ship. Adoption implies a commitment of continuing support, and requires the ongoing involvement of the Council. Recurring awards and family events such as picnics, barbeques, and sports events solidify the program. The Navy League Honolulu Council has currently adopted USS Chung-Hoon (DDG93) and USS Hawaii (SSN 776).

### **7.2.18. SEA CADET PROGRAM**

Chartered by the US Congress in 1958, the U.S. Naval Sea Cadet Corps (USNSCC) is for American youth ages 11-17 with a desire to learn about the Marine Corps, Navy, Coast Guard and Merchant Marines. Sea Cadets are authorized by the Secretary of the Navy to wear Navy uniforms appropriately marked with the Sea Cadet Corps insignia. The objectives of the Sea Cadet program are to introduce youth to military life, develop in them a sense of pride, patriotism, courage, and self-reliance, and to maintain an environment free of drugs and gangs. The Council sponsors the R.D. Stethem Hawaii Sea Cadet Battalion and the Battleship Missouri Division.

### **7.2.19. JUNIOR ROTC**

The Council sponsors the Navy Junior Reserve Officer Training Corps units at James Campbell High School in Ewa Beach and Radford High School in Honolulu.

## APPENDICES

### APPENDIX A: APPROVAL

The undersigned acknowledge they have reviewed the *Honolulu Council Navy League of the United States Standard Handbook* and agree with the approach it presents. Changes to this document will be coordinated with and approved by the undersigned.

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\_\_\_\_\_  
President, Honolulu Council Navy League of the United States

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\_\_\_\_\_  
Date

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\_\_\_\_\_  
Executive Director, Honolulu Council Navy League of the United States

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\_\_\_\_\_  
Date

## APPENDIX B: KEY REFERENCE DOCUMENTS

Document Name and Version	Location
Navy League of the United States Operations Manual 2009	<a href="http://navyleague.org/councils/Operations-Manual-Aug09.pdf">http://navyleague.org/councils/Operations-Manual-Aug09.pdf</a>
Honolulu Council Navy League By-Laws, dated March 26, 2006	<a href="https://honolulunavyleague.files.wordpress.com/2015/09/articles-of-incorp.pdf">https://honolulunavyleague.files.wordpress.com/2015/09/articles-of-incorp.pdf</a>
Honolulu Council Navy League Articles of Incorporation dated June 16, 1997	<a href="https://honolulunavyleague.files.wordpress.com/2015/09/articles-of-incorp.pdf">https://honolulunavyleague.files.wordpress.com/2015/09/articles-of-incorp.pdf</a>
U.S. Navy League Membership Recruitment Guide	<a href="http://www.navyleague.org/Council_Guides/Membership-Recruitment-Guide-July2001.pdf">www.navyleague.org/Council_Guides/Membership-Recruitment-Guide-July2001.pdf</a>
Navy League of the United States, Honolulu Council Endowment Fund	<a href="https://honolulunavyleague.files.wordpress.com/2015/09/dcofficial-endowment-file.pdf">https://honolulunavyleague.files.wordpress.com/2015/09/dcofficial-endowment-file.pdf</a>

## **APPENDIX C: CASH DISBURSEMENT POLICY**

### **PURPOSE**

The purpose of this policy is to establish limitations and authorization requirements for all cash disbursements.

### **POLICY**

Navy League of the United States, Honolulu Council will ensure there are clear procedures established in relation to the issuing of cash disbursements.

### **GENERAL PROCEDURES**

- A. Check signatories authorized by the Board of Directors are the President, Executive Director, and a named Director on the bank signature card.
- B. The following levels of approval are required for cash disbursements based on the cash value of the check or credit card charge as outlined below:
  - 1. Check or credit card charge \$1,000 or less requires approval by an approved check signatory.
  - 2. Check or credit card charge \$1,000 to \$3,000 requires two approvals by either two check signatories or one check signatory and the Treasurer.
  - 3. Check or credit card charge over \$3,000 requires three approvals by either the three check signatories or two check signatories and the Treasurer.
- C. Check signers are prohibited from signing checks made payable to themselves or a family member.
- D. Checks require only one signature after the proper approvals are obtained.

### **DETAILED PROCEDURES**

- E. Checks and invoices will initially be routed to the Executive Director for review and approval. In the absence of the Executive Director, checks will be signed by another approved check signatory. The check signer will initial the invoice/supporting document indicating their review.
- F. For cash disbursement charges over \$1,000, the Office Manager will email the invoice/supporting documentation to obtain two or three approvals in-line with the requirements above prior to the cash disbursement.

- G. The signed checks are returned to the Office Manager for mailing.
- H. After the cash disbursement is approved, the Office Manager will file all supporting documentation, including the email approvals where applicable, in the paid invoices file.
- I. Online banking accounts will be established for all Navy League accounts (checking, savings, and credit card(s)) and access to these online accounts given to the Treasurer to provide for cash flow management, visibility and transparency.

## APPENDIX D: CONFLICT OF INTEREST POLICY

### PURPOSE

The purpose of this conflict of interest policy is to protect Navy League's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a board member or officer (includes executive director) of Navy League, or might result in a possible excess benefit transaction.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

This policy is also intended to identify "independent" directors.

### DEFINITIONS

**Interested person** -- Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

**Financial interest** -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- J. An ownership or investment interest in any entity with which Navy League has a transaction or arrangement,
- K. A compensation arrangement with Navy League or with any entity or individual with which Navy League has a transaction or arrangement, or
- L. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Navy League 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. A person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists, in accordance with this policy

**Independent Director** -- A director shall be considered "independent" for the purposes of this policy if he or she is "independent" as defined in the instructions for the IRS 990 form or, until such definition is available, the director --



- A. is not, and has not been for a period of at least three years, an employee of Navy League or any entity in which Navy League has a financial interest;
- B. does not directly or indirectly have a significant business relationship with Navy League, which might affect independence in decision-making;
- C. is not employed as an executive of another corporation where any of Navy League's executive officers or employees serve on that corporation's compensation committee; and
- D. does not have an immediate family member who is an executive officer or employee of Navy League or who holds a position that has a significant financial relationship with Navy League.

## **PROCEDURES**

**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 the Board of Directors.

**Recusal of Self** – Any director or the executive director may recuse him or herself at any time from involvement in any decision or discussion in which the person believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

**Determining Whether a Conflict of Interest Exists** -- After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Directors shall decide if a conflict of interest exists.

## **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 President 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 Navy League 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 Navy League's best interest, 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.

## **VIOLATIONS OF THE CONFLICT OF INTEREST POLICY**

- A. If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **RECORDS OF PROCEEDINGS**

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

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the 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 or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## **COMPENSATION**

- A. A voting member of the board of directors who receives compensation, directly or indirectly, from Navy League 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 Navy League 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 Navy League, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **ANNUAL STATEMENTS**

- A. Each board member and officer (includes executive director), and member of a committee with Board delegated powers, shall annually sign a statement which affirms such person:
  - 1. Has received a copy of the conflict of interest policy,
  - 2. Has read and understands the policy,
  - 3. Has agreed to comply with the policy, and
  - 4. Understands Navy League is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- B. Each voting member of the board shall annually sign a statement which declares whether such person is an independent director.
- C. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.
- D. The Advisory Committee and/or Board President shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

## **PERIODIC REVIEWS**

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

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information. (if reasonably available), and the result of arm's length bargaining.
- B. Whether partnerships, joint venture, and arrangements with management organizations, if any, conform to Navy League's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

## **USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews Navy League Honolulu Council may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**U.S. NAVY LEAGUE, HONOLULU COUNCIL  
ANNUAL CONFLICT OF INTEREST STATEMENT**

1. Name: \_\_\_\_\_ Date: \_\_\_\_\_

2. Position:

a. Are you a voting Director?      Yes    No

b. If no, what position do you hold? \_\_\_\_\_

3. I affirm the following:

a. I have received a copy of the Conflict of Interest Policy. (initial) \_\_\_\_\_

b. I have read and understand the policy. (initial) \_\_\_\_\_

c. I agree and comply with the policy. (initial) \_\_\_\_\_

d. I understand in order for Navy League to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. (initials) \_\_\_\_\_

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with Navy League? Yes    No

b. If yes, please describe it:

    i. ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes    No

5. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with Navy League? Yes    No

a. If yes, please describe it, including when (approximately) on a separate sheet of paper and attach it to this form.

b. Has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes    No

6. Are you an independent director, as defined in the Conflict of Interest policy? Yes    No

a. If you are not independent, why? (Again, please provide this answer on a separate sheet and attach to the form.)

Signature: \_\_\_\_\_

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

Date of Review: \_\_\_\_\_

Signature of Reviewer: \_\_\_\_\_

## **APPENDIX E: WHISTLEBLOWER POLICY**

### **PURPOSE**

Honolulu Council Navy League of the United States (Navy League) requires board members, committee members and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and all directors, committee members and employees and to comply with all applicable laws and regulatory requirements.

### **REPORTING RESPONSIBILITY**

Navy League seeks to have an “Open Door Policy” and encourages board members and employees to share their questions, concerns, suggestions, or complaints regarding Navy League and its operations with someone who can address them properly. In most cases, a board member should present his or her concerns to the Board President. The Executive Director is generally in the best position to address an employee’s area of concern. However, if a board member is not comfortable speaking with the Board President or is not comfortable with the Board President’s response, or if an employee is not comfortable speaking with the Executive Director or if the employee is not satisfied with the Executive Director’s response, the board member, committee member or employee is encouraged to speak with anyone on the Board whom the employee is comfortable in approaching, or to directly contact the Navy League’s outside legal counsel, whose contact information can be obtained from the Executive Director.

### **NO RETALIATION**

No board member, committee member, or employee who in good faith reports a violation of a law or regulation requirement shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable persons to raise serious concerns within Navy League prior to seeking resolution outside of Navy League.

### **COMPLIANCE OFFICER**

Navy League’s Executive Director, working with the Board President, will act as Navy League’s Compliance Officer. The Compliance Officer is responsible for investigating and resolving all employee complaints and allegations concerning violations. The Board President or his or her designee will take on the Compliance Officer role if the complaint involves the Executive Director. If the complaint involves both the Executive Director and Board President, outside legal counsel or another board member will carry out the functions of the Compliance Officer.

## **ACCOUNTING AND AUDITING MATTERS**

The Advisory Committee of the Board of Directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the Advisory Committee of any such complaint and work with the Advisory Committee until the matter is resolved.

## **REQUIREMENT OF GOOD FAITH**

Anyone filing a complaint concerning a violation or suspected violation of the law or regulation requirements 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.

## **CONFIDENTIALITY**

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

## **HANDLING OF REPORTED VIOLATIONS**

The Compliance Officer, or the person responsible for carrying out the Compliance Officer's role with respect to a reported or suspected violation, will acknowledge receipt of the reported violation or suspected violation by writing a letter (or e-mail) to the complainant within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

## **APPENDIX F: GIFT ACCEPTANCE POLICY**

### **PURPOSE**

Honolulu Council Navy League of the United States (Navy League) solicits and accepts gifts for purposes that assist the agency to advance and fulfill its mission. This policy governs acceptance of gifts made to Navy League for the benefit of its operations, programs or services.

### **USE OF LEGAL COUNSEL**

Navy League will seek the advice of legal counsel in matters related to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming Navy League as trustee or requiring Navy League to act in any fiduciary capacity.
- C. Gifts requiring Navy League to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property that may be subject to environmental or other regulatory restrictions.

### **RESTRICTIONS ON GIFTS**

Navy League will not accept any gifts that would:

- A. Result in Navy League violating its corporate charter.
- B. Result in Navy League losing its 501 (c)(3) not-for-profit status.
- C. Cost more to administer than their value.
- D. Result in unacceptable consequences for the agency.
- E. Be inconsistent with Navy League's mission.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Advisory Committee with comment from the Executive Director.

### **SUBJECT TO THE ABOVE RESTRICTIONS THE FOLLOWING GIFTS MAY BE ACCEPTED WITHOUT REVIEW**

- A. Cash gifts are acceptable in any form, including check, money order, credit card or on-line.

- B. Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power attached. Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans. Donors are encouraged to make bequests to Navy League under their wills, and to name Navy League as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- C. Navy League will accept designation as an income beneficiary of charitable lead trusts.

**THE FOLLOWING GIFTS SHALL BE SUBJECT TO PRIOR REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS WITH COMMENT FROM THE PRESIDENT AND EXECUTIVE DIRECTOR**

- A. A. Charitable Remainder Trusts. Navy League will accept designation as a remainder beneficiary of charitable remainder trusts if there are no significant costs for Navy League and it is determined to be beneficial to its operations, programs, and services.
- B. Tangible Personal Property. The finance Committee shall review and determine the acceptability of tangible personal property based on the following criteria:
- The property furthers Navy League's mission.
  - The property is marketable.
  - There are no unacceptable restrictions imposed.
  - There are no significant carrying costs for Navy League.
  - The title/provenance is clear.
- B. Life Insurance. Navy League will accept gifts of life insurance where Navy League is named as both beneficiary and irrevocable owner of the policy. The donor will pay, before due, any future premium payments.
- C. Real Estate. Navy League will accept gifts of real estate based on the following criteria:
- The property is useful for Navy League's purposes.
  - The property is readily marketable.



## **APPENDIX G: RECORD RETENTION POLICY AND SCHEDULE**

### **PURPOSE**

This policy for record retention ensures the retention of all documents and electronic data that Navy League is legally required to keep or finds prudent to keep, and at the same time, to provide for the discarding of unnecessary and obsolete materials. The following list provides for the minimum requirements.

### **PROCEDURES**

#### **Permanent Record**

- Articles of Incorporation
- By-laws
- Board of Director Minutes
- State Incorporation Documents
- Audit Reports
- Tax Returns and Worksheets
- Current Notes and Leases
- Current Contracts
- Insurance Records
- Active Personnel Records
- Retirement Records for Active Employees
- Terminated Employee Personnel Files If Vested in Retirement Plan
- Retirement Documents
- Employee Handbook
- Press Releases
- Current Donor Listing
- Legal Correspondences

#### **Retain for a Minimum of Seven Years**

- Accounts Payable Ledgers and Schedules
- Accounts Receivable Records
- Expired Contracts, Notes, and Leases
- Check Requests
- Invoices from Vendors
- Invoices to Customers
- Payroll Records and Summaries
- Records of Occupational Injuries and Illness
- Terminated Employee Personnel Files If NOT Vested in Retirement Plan
- Timesheets
- Withholding Tax Statements

#### **Retain for a Minimum of Three Years**

- Bank Statements
- Bank Reconciliations
- Duplicate Deposit Slips
- Expired Insurance Policies
- Minutes of Volunteer Committees