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Adopted by AAOA Board, June 2013

Updates made by the AAOA Board in 2014/2015 as noted above in parentheses, as were updates to education roles to align with the 2014 Bylaws amendments.

LEADERSHIP

AAOA CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY FOR LEADERSHIP

Statement of Purpose: The American Academy of Otolaryngic Allergy (AAOA) supports fair and unbiased participation of our volunteers in Academy/Foundation activities. Any real or potential conflicts of interest¹ must be identified and managed. All relevant financial relationships with commercial interests² that directly impact and/or might conflict with Academy/Foundation activities must be disclosed, or disclosure that you have no relevant financial relationships must be documented. Non-financial relationships, and other relationships that could cause private interests to conflict with professional interests, must also be disclosed.

In addition, Board members and staff will have access to information, that if revealed to outsiders, could be damaging or sensitive to other members or staff, harmful to the best interests of the organization, or even create legal liability. Information provided to the board and staff may concern financial, contractual, membership, financial, or legal matters. It will be confidential and is intended for use in decision-making and governance. Information shall be held in the strictest of confidence and shall not be divulged to any outside party, including other members, without authorization of the president/board chair or the executive director.

Violations of this policy may result in disciplinary action in accordance with the governing documents. Discipline may include removal of a board member from office or termination of a staff member.

1. Significant Financial Relationship: Significant financial relationships are defined as anything of monetary value (within the past 12 months) including, but not limited to:

- Salary or other payments for services (employment, Speaker's Bureau, Advisory Panel, Expert Witness, etc.)
- Consulting fees or honoraria
- Equity interests including stocks, stock options, or ownership interests (*excluding* diversified mutual funds)
- Intellectual property rights including patents, copyrights, royalties from such rights
- Research funding
- Or other financial benefit

[Note: Significant financial relationships extend to financial relationships of your family and/or business partner(s).]

2. Significant Non-financial Relationship: Significant non-financial relationships are defined as any position without direct monetary value (within the past 12 months) including, but not limited to:

- Academic position
- Alternate Board or Committee membership
- Non-financial advisory role

3. Other Relationships: Other relationships that could cause private interests to conflict with professional interests.

¹ "Conflict of interest" is defined as any real or potential situation that has competing professional or personal interests that would make it difficult to be unbiased. A conflict of interest may occur when: (1) an individual's private interest differs from his/her professional obligations, or (2) professional actions or decisions occur that an independent observer might reasonably question. A conflict of interest depends on the situation and not on the character of the individual.

² A "Commercial interest" is any proprietary entity producing health care goods or services consumed by, or used on patients.

The following individuals must provide this disclosure annually. Failure or refusal to disclose will result in disqualification to participate in AAOA/F activities.

- **AAOA/F Committee Membership/Elected Leadership:** All members of Academy/Foundation committees, as well as all elected, appointed, or standing guest members of the Academy/Foundation Boards of Directors must complete and sign a disclosure/conflict of interest form **in relation to the charge or any activities** of the committee to which they are appointed.
- **AAOA International Forum of Allergy and Rhinology (IFAR):** IFAR LLC and Journal Editorial Board members/reviewers/authors must complete and sign a disclosure/conflict of interest form **in relation to the development of the Journal**.
- **AAOA Continuing Medical Education (CME) Activities:** Any individual who may be **in a position to control CME content** must disclose all relevant financial relationships or disclose that he/she has no relevant financial relationships. See AAOA CME COI policy for additional instructions.

Check the appropriate box(s) to designate your participation in AAOA/F activities:

- ☐ Appointed Committee, Task Force/Workgroup membership
☐ Elected, appointed, or standing guest member of the Academy/Foundation
☐ Boards of Directors
☐ Journal Editorial Board/Reviewer/Author

(Check one (1) box only)

- ☐ I have nothing to disclose.
☐ I have the following significant financial relationship(s):

Name of Commercial Interest(s):	Nature of relationship:

I have the following non-financial relationship(s): (e.g., academic post, alternate board

Other relationship(s) that could cause private interests to conflict with professional interests:

Name (Print) First Last

Signature³

Date

³By affixing your signature, you give permission to the AAOA to publish (in any form-print and/or electronic) the information you provide on this conflict of interest/disclosure form. **Failure or refusal to disclose will result in disqualification to participate in AAOA/F activities.**

AAOA CME Conflict of Interest Policy (COI)

June 2014, the AAOA Board approved incorporation of online CME COI disclosure process within AAOA Association Management System (AMS) to allow better integration to overall conflict of interest management..

The AAOA (American Academy of Otolaryngic Allergy) has created the following process and tools to assist you:

- **Background Information** – why this new procedure is necessary, and how it is applied
- **Disclosure Process** – Step by step instructions for CME (continuing medical education) Planners
- **Disclosure Form** – For CME Planners
- **Disclosure Process** – Step by step instructions for Instructors
- **Disclosure Form** – For Instructors
- **Management of Conflict of Interest Form**—Tool to assist with resolution of conflicts

BACKGROUND INFORMATION

This document has been created to promote a clearer understanding of the roles Board members, Program Committees, Instructors, and the AAOA must play in order to successfully implement the ACCME regulations.

Values Underlying the ACCME Updated Standards for Commercial Support

- Accredited CME providers must place a higher priority on the health and well being of the public than on individuals' personal economic interests.
- Some people in CME have personal economic interests derived from financial relationships with commercial interests that create a personal sense of duty or loyalty to the commercial interest. Such conflicts may be real or perceived conflicts of interest.
- Some financial relationships with commercial interests are important enough to conflict with the person's responsibility to CME learners and to conflict with the public interest.
- If a person in CME has a conflict of interest, the CME provider must manage the conflict in a manner that is in the best interest of the public.

Identifying and Managing Conflict of Interest

To effectively manage a potential conflict of interest, the AAOA must know about relevant financial relationships **prior to the activity being developed and delivered to the learners**. The AAOA has instituted a process that goes beyond simple disclosure, with necessary interventions to resolve conflicts of interest before the CME activity is planned.

Everyone participating in the planning and presentation of an AAOA Education Activity is required to complete a disclosure form.

1. A disclosure form is to be completed on an annual basis by all those responsible for the planning of CME activities for the AAOA. All potential conflicts of interest must be identified and managed by the CME Planner or designated official prior to planning the CME program. Those individuals tasked with managing potential conflicts must analyze their own potential conflicts to insure no overlap exists, otherwise an alternate manager must be sought to resolve conflicts.
2. Each invited instructor must complete a disclosure form and any potential conflict of interest identified **as it pertains to the content of the presentation** must be disclosed. Should it be determined that a conflict of interest exists as a result of a financial relationship the instructor may have, the instructor must be contacted by the designated official and methods to manage the conflict will be discussed. A form is available to expedite this process.

Those individuals who refuse to disclose relevant financial relationships are disqualified from having a CME role that may give them an opportunity to effect the development, management, presentation or evaluation of that CME activity.

Management of Manifest Conflict of Interest

If an instructor has been documented (e.g., audience report, auditor report) to have shown bias in an AAOA activity then this report must be forwarded to the AAOA Coordinator for Education. An appropriate investigation into the matter will be undertaken, and then the matter will be discussed within the Executive Committee of the AAOA. If the results of the investigation substantiate that a manifest conflict occurred, then a response in concert with the scale of the offense will be carried out including, but not limited to:

1. removal from speaking on behalf of the AAOA for a defined period (e.g., one year), or permanently
2. requirement of divestiture of relevant financial interests to permit continued AAOA association
3. revocation of fellow or membership status

An apology with proper scientific message content to replace biased content will be sent to the relevant audience.

AAOA Disclosure Process

For AAOA CME Planners

STEP 1. This statement is to be sent by the AAOA Office in the initial letter or e-mail to the CME Planner prior to the planning of the activity. Rarely, a disclosure might not arrive at the AAOA prior to a CME planning meeting; in this case the meeting will not begin until the planner has completed their disclosure and management of COI takes place.

In order to comply with the ACCME's Updated Standards for Commercial Support, the AAOA has implemented a new disclosure process to ensure that anyone who is in a position to control the content of the education activity has disclosed to us all relevant financial relationships with any commercial interest. The goal of this process is not to exclude people who have conflicts, but to manage these conflicts while benefiting from your expertise.

Please complete the enclosed disclosure form and return it to <insert name> by <insert date>. If you have indicated a conflict of interest, this information will be forwarded to the appropriate AAOA Official. At the start of the planning meeting, the Chair will remind those that have indicated a potential conflict of their responsibility to disclose any bias during the meeting that could result in a conflict of interest. In addition, please note that you must recuse yourself from involvement in any discussion where there is a potential for bias based on your financial interests.

Failure or refusal to disclose or the inability to manage the identified conflict may result in our request for your withdrawal from the planning process.

STEP 2. Disclosure form enclosed with letter. *(To be completed annually)*

STEP 3. An e-mail is sent to the committee member from the AAOA upon receipt of the conflict:

Dear Dr. _____

We are in receipt of your disclosure regarding _____. This information will be forwarded to Dr. <insert name>. As a reminder, we request that you disclose any bias during the meeting and recuse yourself from any discussion where there is a potential conflict of interest. If you have any questions, please contact me. Thank you.

STEP 4. An e-mail is sent to the Program Chair (or designated official) by the AAOA with a list of the reported conflicts.

Dear Dr. <insert name>

The following committee members have indicated a potential conflict of interest. We ask that you make an announcement at the start of the meeting reminding the committee members of their responsibility to disclose any bias and recuse themselves from any discussion where there is a potential conflict of interest. If you have any questions, please contact me. Thank you.

AAOA Planning Committee
<INSERT Name, date(s), and location of Activity to be planned>
Disclosure of Financial Relationships

NAME: <INSERT NAME PRIOR TO SENDING>

In accordance with ACCME regulations, the AAOA must ensure that anyone who is in a position to control the content of the education activity has disclosed to us all financial relationships with any commercial interest (see below for definitions). If you indicate on this form that you may have a conflict of interest, we ask that you recuse yourself from any discussion where there is a potential for the stated conflict to influence the content of the program. Please indicate your willingness to do so by checking the appropriate box below.

- ☐ I do not have any financial relationships with any commercial interests.
- ☐ I will disclose any conflict of interest that may arise during the planning of this activity and recuse myself from any final decisions where a potential bias could exist.
- List the names of proprietary entities producing health care goods or services, with the exemption of non-profit or government organizations and non-health care related companies with which you or your spouse/partner have, or have had, a financial relationship within the past 12 months. For this purpose we consider the financial relationships of your spouse or partner that you are aware of to be yours.
 - Explain what you or your spouse/partner received (ex: salary, honorarium etc).
 - Specify your role.

Commercial Interest	Nature of Relevant Financial Relationship (Include all those that apply)	
	What I or spouse/partner received	My role
Example: Company 'X'	Honorarium	Speaker

What was received: Salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest, (stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit.

My Role(s): Employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities.

Glossary of Terms

Commercial Interest

A commercial interest is any entity producing, marketing, re-selling, or distributing health care goods or services consumed by, or used on, patients. The ACCME does not consider providers of clinical service directly to patients to be commercial interests.

Financial relationships

Financial relationships are those relationships in which the individual benefits by receiving a salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest (e.g., stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit. Financial benefits are usually associated with roles such as employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities from which remuneration is received, or expected. ACCME considers relationships of the person involved in the CME activity to include financial relationships of a spouse or partner.

Relevant financial relationships

ACCME focuses on financial relationships with commercial interests in the 12-month period preceding the time that the individual is being asked to assume a role controlling content of the CME activity. ACCME has not set a minimal dollar amount for relationships to be significant. Inherent in any amount is the incentive to maintain or increase the value of the relationship. The ACCME defines "relevant financial relationships" as financial relationships in any amount occurring within the past 12 months that create a conflict of interest.

Conflict of Interest

When an individual's interests are aligned with those of a commercial interest the interests of the individual are in 'conflict' with the interests of the public. The ACCME considers financial relationships to create actual conflicts of interest in CME when individuals have both a financial relationship with a commercial interest **and** the opportunity to affect the content of CME about the products or services of that commercial interest. The potential for maintaining or increasing the value of the financial relationship with the commercial interest creates an incentive to influence the content of the CME – an incentive to insert commercial bias.

Signature_____Date_____

AAOA Disclosure Process

Instructors for AAOA Education Activities

STEP 1. The preliminary invitation sent to instructors is to include the following statement. We recommend that it be highlighted and/or presented prominently:

In order to comply with the ACCME's Updated Standards for Commercial Support, the AAOA, as the accredited CME provider of this activity, has implemented a new disclosure process to ensure that anyone who is in a position to control the content of the education activity has disclosed to us all relevant financial relationships with any commercial interest **as it pertains to the content of the presentation**. The goal of this process is not to exclude people who have conflicts, but to manage these conflicts while benefiting from your expertise.

Please complete the enclosed disclosure form and return it to <insert name>. Should it be determined that a conflict of interest exists as a result of a financial relationship you may have, you will be contacted and methods to manage the conflict will be discussed with you. In addition, all affirmative disclosures must be revealed by a slide at the beginning of the presentation. **Failure or refusal to disclose or the inability to resolve the identified conflict may result in the withdrawal of the invitation to participate.**

STEP 2. Enclose the AAOA's revised faculty disclosure form with the invitation letter.

STEP 3. Send an e-mail to the instructor from the AAOA upon receipt of the conflict:

Dear Dr. _____

We are in receipt of your disclosure regarding _____. Dr. _____ will be contacting you shortly to discuss and manage the conflict. If you have any questions, please contact me. Thank you.

STEP 4. Send an e-mail to the designated AAOA Official advising of the disclosed conflict. The conflict resolution form (upper portion completed by the AAOA) is included as an attachment in the e-mail.

Dear Dr. <insert name>

Dr. _____, an instructor in your session, has advised us of a potential conflict of interest as it relates to the content of his/her presentation. We request that you contact him/her and discuss options on how the conflict may be managed.

The goal of the process is not to exclude people with expertise who have conflicts, but to manage these conflicts prior to the activity. For your convenience, a form is attached to assist you with the resolution. If you find that the conflict cannot be managed to your satisfaction, the AAOA will notify the instructor. We also request that you provide us with two possible replacements if the conflict cannot be resolved. We would appreciate it if you would return the completed form via e-mail or fax to <insert name>by <insert date>. Thank you.

AAOA
<Insert Name of Education Program>
Instructor Disclosure of Relevant Financial Relationships

NAME: <NAME AND PROGRAM INFORMATION SHOULD BE COMPLETED PRIOR TO SENDING TO THE INSTRUCTOR>
TITLE OF PRESENTATION:

In accordance with ACCME regulations, the AAOA must ensure that anyone who is in a position to control the content of the education activity has disclosed to us all relevant financial relationships with any commercial interest (see below for definitions) **as it pertains to the content of the presentation**. Should it be determined that a conflict of interest exists as a result of a financial relationship you may have, you will be contacted and methods to resolve the conflict will be discussed with you. In addition, all affirmative disclosures must be revealed by a slide at the beginning of the presentation. **Failure or refusal to disclose or the inability to resolve the identified conflict will result in the withdrawal of the invitation to participate.**

- ☐ I do not have any relevant financial relationships with commercial interests that pertain to the content of my presentation
☐ I do have relevant financial relationships with commercial interests that pertain to the content of my presentation

- List the names of proprietary entities producing health care goods or services, with the exemption of non-profit or government organizations and non-health care related companies with which you or your spouse/partner have, or have had, a **relevant** financial relationship within the past 12 months. For this purpose we consider the relevant financial relationships of your spouse or partner that you are aware of to be yours.
- Explain what you or your spouse/partner received (ex: salary, honorarium etc).
- Specify your role.

Commercial Interest	Nature of Relevant Financial Relationship (Include all those that apply)	
	What I or spouse/partner received	My role
Example: Company 'X'	Honorarium	Speaker

What was received: Salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest, (e.g., stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit.

My Role(s): Employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities.

If your presentation describes the use of a device, product, or drug that is not FDA approved or the off-label use of an approved device, product, or drug or unapproved usage, it is your responsibility to disclose this information verbally to the learner during your

Glossary of Terms

Commercial Interest

A commercial interest is any entity producing, marketing, re-selling, or distributing health care goods or services consumed by, or used on, patients. The ACCME does not consider providers of clinical service directly to patients to be commercial interests.

Financial Relationships

Financial relationships are those relationships in which the individual benefits by receiving a salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest (e.g., stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit. Financial benefits are usually associated with roles such as employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities from which remuneration is received, or expected. ACCME considers relationships of the person involved in the CME activity to include financial relationships of a spouse or partner.

Relevant Financial Relationships

The ACCME focuses on financial relationships with commercial interests in the 12-month period preceding the time that the individual is being asked to assume a role controlling content of the CME activity. ACCME has not set a minimal dollar amount for relationships to be significant. Inherent in any amount is the incentive to maintain or increase the value of the relationship. The ACCME defines "relevant" financial relationships" as financial relationships in any amount occurring within the past 12 months that create a conflict of interest.

Conflict of Interest

Circumstances create a conflict of interest when an individual has an opportunity to affect CME content about products or services of a commercial interest with which he/she has a financial relationship.

☐ I agree that I will not accept honorarium, travel expenses, in-kind contributions, or any other support from commercial companies in connection with this activity.

Signature_____ Date_____

AAOA

MANAGEMENT OF CONFLICT OF INTEREST

Designated Official: *<insert name of official>*

THE TOP PORTION OF THIS FORM—INCLUDING 4 BOXES BELOW—MUST BE COMPLETED PRIOR TO EMAILING IT TO THE DESIGNATED OFFICIAL. DELETE THESE INSTRUCTIONS PRIOR TO SENDING.

We appreciate your willingness to assist AAOA in the management of this potential conflict of interest. Once you have discussed the conflict with the instructor, please return the completed form to *<insert name>* via fax (_____) or e-mail (_____) by *<insert date>*. Thank you.

Instructor and Contact Information	
Activity Name	
Session Name & Date	
Disclosed Conflict	

In order to comply with the ACCME's Updated Standards for Commercial Support, The AAOA has implemented this disclosure process to ensure that anyone who is in a position to control the content of the education activity has disclosed to us all relevant financial relationships with any commercial interest as it pertains to the content of the presentation. This instructor has reported that a potential conflict of interest may exist as a result of a current financial relationship. While feedback from the learners will be solicited at the meeting regarding the presence of bias, the ACCME requires conflict to be managed prior to the activity. If the conflict cannot be managed, you must choose an alternate instructor. Therefore, it is extremely important that you contact the instructor as soon as possible, discuss the conflict of interest, and possible methods of resolution.

Suggested ways to manage the conflict include:

- ☐ Presentation will include validation of evidence based content.
- ☐ Peer review of content will be done to ensure absence of bias and, if necessary, content will be restructured.
- ☐ Content that has the potential to include a conflict will be assigned to another individual.
- ☐ The instructor will offer no recommendations and will limit content to scientific data and research results.

Another instructor will be assigned to address broader implications and recommendations.

Please briefly describe how the conflict has been managed: **(required)**

If the conflict cannot be managed, please list two alternate instructors (in order of preference):

Name _____ Contact Information _____

Name _____ Contact Information _____

Signature _____ Date _____

FREQUENTLY ASKED QUESTIONS: DISCLOSURE & COMMERCIAL SUPPORT

What financial relationships need to be disclosed to the accredited provider?

Individuals need to disclose relationships with a commercial interest if both (a) the relationship is financial and occurred within the past 12 months and (b) the individual has the opportunity to affect the content of CME about the products or services of that commercial interest.

Financial relationships are those relationships in which the individual benefits by receiving a salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest (e.g., stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit. Financial benefits are usually associated with roles such as employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities for which remuneration is received or expected. ACCME considers relationships of the person involved in the CME activity to include financial relationships of a spouse or partner. The ACCME has not set a minimum dollar amount for relationships to be significant. Inherent in any amount is the incentive to maintain or increase the value of the relationship.

What is the difference between actual and potential or perceived conflicts of interest?

An actual Conflict of Interest arises in a situation where financial or other personal or professional considerations compromise an individual's objectivity, professional judgment, professional integrity, and/or ability to perform his or her responsibilities to the AAOA. Perceived or potential Conflicts of Interest exist in situations where an AAOA instructor, a member of the individual's family, or a close personal relation has financial interests, personal relationships, or professional associations with an outside individual or organization, such that his or her activities within the AAOA could appear to be biased.

When do relationships create conflicts of interest?

The ACCME considers financial relationships to create actual conflicts of interest in CME when individuals have both a financial relationship with a commercial interest and the opportunity to affect the content of CME about the products or services of that commercial interest.

Where is the conflict?

When the provider's interests are aligned with those of a commercial interest the interests of the provider are in 'conflict' with the interests of the public. The interests of the people controlling CME must always be aligned with the best interests of the public.

How do these circumstances create a conflict of interest?

The potential for increasing the value of the financial relationship with the commercial interest creates an incentive to influence the content of the CME – an incentive to insert commercial bias. Commercial bias is prohibited in CME.

Do committee members need to sign a disclosure statement at every meeting while planning the same activity?

No. Compliance requires that disclosure is made. Disclosing the same information repeatedly to the same Provider is not necessary. With the original disclosure information, the Provider is able to implement its mechanism to resolve any conflicts of interest.

What do we do when we appoint a person to speak at the last minute and when the person arrives at the activity they refuse to disclose relationship information?

You must not carry on with the activity under these circumstances. The person cannot participate if they refuse to disclose because conflicts of interest can neither be identified nor resolved.

If disclosure information cannot be analyzed in a timely fashion, is it appropriate for the activity or presentation to go on without formal CME credit?

ACCME has never recommended withholding CME credit at the last minute as an alternative to producing CME that is in compliance with accreditation requirements. It does not seem fair to the physician learners. Assuming that in this scenario there is financial relationship information to disclose to the learners, a mechanism to resolve conflicts of interest could still be put in place. For example, the participants could be asked to evaluate the objectivity of the presentation and the Provider could make it clear to the teacher that there is an expectation that the presentation would be compliant with ACCME conflict of interest standards.

What is "commercial support"?

Commercial Support is financial, or in-kind, contributions given by a *commercial interest* that is used to pay all or part of the costs of a CME activity.

Can the commercial support be spent directly by the commercial supporter on costs related to the CME activity?

No. The commercial support must go first to the provider or a provider's joint sponsor or a provider's educational partner.

Can a commercial supporter direct the content of CME?

No. The provider must ensure that the content of the CME truly remains beyond the control of the commercial supporter. The process to develop the CME must be independent of the commercial interest. Providers must not allow commercial supporters to directly or indirectly control the content of CME.

How does the CME provider pay for its services in the production and distribution of a CME activity? Can they take a portion of the grant monies to pay for their activity-related expenses, e.g., certificates, mailings?

Yes. The funds from commercial support may be used by the Provider to pay for the costs of the CME activity including, for example, the distribution of certificates and other mailings, as required.

Must the commercial support be given as a single lump sum grant or payment?

No – commercial support does not have to be a single payment or a grant.

Can a commercial supporter supplement their contributions to the activity by additional direct payments to people involved in the activity?

No. All commercial support must be stipulated by a written agreement and must flow through the Provider and/or its educational partner. Only the Provider and/or its educational partner can make payments to people for their role(s) in the activity.

How can meals or social events compete with educational events?

Meals or social events compete with educational events when they happen at the same time in a different location or when they are the main attraction at the educational activity.

Are mealtime instructors prohibited?

No. Working and learning through mealtime is an efficiency often included in CME activities.

How can meals or social events take precedence over educational events?

Using commercial support to pay for modest meals and social events at CME activities has been allowed for years. However, providers must avoid planning meals or social events for longer time periods or more costly than the educational activity, for example.

Whose expenses can be paid for out of the commercial support?

Commercial support underwrites the Provider's expenses for developing and presenting an activity. Commercial support can be used to pay for the expenses of teachers and authors, as well others, who are working for the Provider on the activity.

AAOA

Disclosure Information

<Insert Name of Education Program>

In accordance with the ACCME's Accreditation Criteria, the AAOA must ensure that anyone in a position to control the content of the educational activity has disclosed all relevant financial relationships with any commercial interest. Therefore, it is mandatory that both the program planning committee and instructors complete disclosure forms. Members of the program committee were required to disclose all financial relationships and instructors were required to disclose any financial relationship **as it pertains to the content of the presentations**. The ACCME defines a 'commercial interest' as "any entity producing, marketing, re-selling, or distributing health care goods or services consumed by, or used on, patients". It does not consider providers of clinical service directly to patients to be commercial interests. The ACCME considers "relevant" financial relationships as financial transactions (in any amount) that may create a conflict of interest and occur within the 12 months preceding the time that the individual is being asked to assume a role controlling content of the educational activity.

The ACCME also requires that AAOA manage any reported conflict and eliminate the potential for bias during the session. The planning committee members and instructors were contacted and the conflicts listed below have been managed to our satisfaction. However, if you perceive a bias during a session, please advise us of the circumstances on the session evaluation form.

Please note we have advised the instructors that it is their responsibility to disclose at the start of their presentation if they will be describing the use of a device, product, or drug that is not FDA approved or the off-label use of an approved device, product, or drug or unapproved usage.

The requirement for disclosure is not intended to imply any impropriety of such relationships, but simply to identify such relationships through full disclosure, and to allow the audience to form its own judgments regarding the presentation.

INSTRUCTORS / MODERATORS/ DISCUSSANTS	NOTHING TO DISCLOSE	DISCLOSURE
PLANNING COMMITTEE	NOTHING TO DISCLOSE	DISCLOSURE

Code of Conduct Introduction

Members of the American Academy of Otolaryngic Allergy & Foundation Board of Directors and staff carry certain duties and responsibilities for the well being of the organization. The Code of Conduct outlines some of those duties and responsibilities in accordance with governing documents.¹

Confidentiality

Board members and staff will have access to information, that if revealed to outsiders, could be damaging or sensitive to other members or staff, harmful to the best interests of the organization, or even create legal liability. Information provided to the board and staff may concern financial, contractual, membership, financial, or legal matters. It will be confidential and is intended for use in decision-making and governance. Information shall be held in the strictest of confidence and shall not be divulged to any outside party, including other members, without authorization of the president/board chair or the executive director.

Conflict of Interest

Board members and staff owe a high fiduciary duty to the organization. Thus, no board member or staff member shall maintain any business enterprise or other activity that directly conflicts with the interests of the organization. Staff members shall not solicit members or related partners/corporations for any reason that is not directly related to official business.

Violations

Violations of the Code of Conduct may result in disciplinary action in accordance with the governing documents. Discipline may include removal of a board member from office or termination of a staff member.

Acknowledgement of Receipt

I acknowledge that I have received and read a copy of the Code of Conduct and that I am responsible for compliance.

Signature

Date

¹ Governing documents include articles of incorporation, bylaws, policy manual, etc. Please address questions to the AAOA's President and/or Executive Director/CEO.

LEADERSHIP

APPARENT AUTHORITY

Purpose: This policy statement provides guidance concerning who is authorized to make public statements on behalf of or as a representative of the association and the manner in which such public statements should be handled. It also provides guidance as to the distribution of documents or other information from the association by the board.

It shall be the policy of the association any communications on behalf of the association shall be official, at the direction of the president, board or staff. No statements shall be made, either verbal or written, that conflict with the position or policy of the association. Leadership should understand, that by virtue of their position, that statements may be perceived by the public as official and on behalf of the association. To control official communications, stationary and business cards shall be for use of the elected president and staff only. Members of the board, committees or other work groups or task forces may not use association stationary. Staff will prepare letters sent on behalf of the organization with a copy remaining in the office. Exceptions may be made to the policy so long as the purpose of the letter is made known and approved by the board in advance; if the exception is approved, a copy of the outgoing letter shall be provided to staff within 24 hours of dissemination, for permanent file retention.

Drafted 2008

Recommend for Adoption: January 2013

LEADERSHIP

PROPRIETARY INFORMATION

Purpose: To quantify propriety nature of and restrictions of use for AAOA and AAOA Foundation materials.

Directors frequently have access to confidential or proprietary information of the American Academy of Otolaryngic Allergy (AAOA) and its Foundation. The AAOA/F Conflicts of Interest Policy provides that no director may use, for financial or other advantage, confidential or proprietary information accessed by virtue of his or her position with the AAOA/F. Moreover, no director may claim ownership interest in or rights to any such confidential or proprietary information of the AAOA/F. Information does not need to be marked as “proprietary” or “confidential” for these prohibitions to apply. Types of information the AAOA/F considers proprietary or confidential include, for example, computer programs and databases, and such other information as personnel files, research and development information, strategic plans, technical information, communications of the AAOA/F or its agents, financial information, including corporate development, and advice of accountants and legal counsel.

Approved: January 2004

Reviewed: January 2013

LEADERSHIP

SOCIAL MEDIA POLICY

The following are guidelines for AAOA employees, board members, and committee members who participate in social media. Social media includes personal blogs and other websites, including Facebook, LinkedIn, MySpace, Twitter, YouTube or others. These guidelines apply whether employees or board members are posting to their own sites or commenting on other sites

1. Follow all applicable AAOA policies. For example, you must not share confidential or proprietary information about AAOA and you must maintain patient privacy. Among the policies most pertinent to this discussion are those concerning patient confidentiality, government affairs, mutual respect, political activity, Computer, E-mail & Internet Use, photography and video, and release of patient information to media.
2. Write in the first person. Where your connection to AAOA is apparent, make it clear that you are speaking for yourself and not on behalf of AAOA. In those circumstances, you should include this disclaimer: "The views expressed on this [blog; website] are my own and do not reflect the views of my employer." Consider adding this language in an "About me" section of your blog or social media profile.
3. If you identify your affiliation to AAOA, your social media activities should be consistent with AAOA's high standards of professional conduct.
4. If you communicate in the public internet about AAOA or AAOA-related matters, you must disclose your connection with AAOA and your role at AAOA.
5. Be professional, use good judgment and be accurate and honest in your communications; errors, omissions or unprofessional language or behavior reflect poorly on AAOA, and may result in liability for you or AAOA. Be respectful and professional to fellow employees, business partners, competitors and patients.
6. AAOA strongly discourages "friending" of patients on social media websites. Staff in patient care roles generally should not initiate or accept friend requests except in unusual circumstances such as the situation where an in-person friendship pre-dates the treatment relationship.
7. AAOA discourages staff in management/supervisory roles from initiating "friend" requests with employees they manage. Managers/supervisors may accept friend requests if initiated by the employee, and if the manager/supervisor does not believe it will negatively impact the work relationship.
8. AAOA does not endorse people, products, services and organizations. On social media websites such as LinkedIn, where your affiliation to AAOA is known, personal recommendations should not be given or requested.
9. Unless approved by AAOA, your social media name, handle and URL should not include AAOA's name or logo.

**AAOA employees who are first time visitors to the Social Media Health Network will have to register for a free account in order to view the curriculum.*

LEADERSHIP ANTITRUST

Purpose: To codify the AAOA's compliance with Antitrust laws.

The American Academy of Otolaryngic Allergy (AAOA) is a not-for-profit organization. The AAOA is not organized and may not play any role in the competitive decisions of its members, nor in any way restrict competition among members or potential members. Rather it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice.

The AAOA provides a forum for exchange of ideas in a variety of settings, including its annual meeting, educational programs, committee meetings, and Board meetings. The Board of Directors recognizes the possibility that the AAOA and its activities could be viewed by some as an opportunity for anti-competitive conduct. Therefore, this statement supports the policy of competition served by antitrust laws and to communicate the AAOA's uncompromising policy to comply strictly in all respects with those laws.

While recognizing the importance of the principle of competition served by the antitrust laws, the AAOA also recognizes the severity of the potential penalties that might be imposed on not only the AAOA, but its members as well, in the event that certain conduct is found to violate the antitrust laws. Should the AAOA or its members be involved in any violation of federal/state antitrust laws, such violation can involve both civil and criminal penalties. In addition, damage claims awarded to private parties in a civil suit are tripled for antitrust violations. Given the severity of such penalties, the Board intends to take all necessary and proper measures to ensure that violations of the antitrust laws do not occur.

To ensure the AAOA and its members comply with antitrust laws, the following principles will be observed:

- The AAOA or any committee or activity of the AAOA shall not be used for purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among two or more members or other competitors with regard to prices or terms and conditions of contracts for services or products. Therefore, discussions and exchanges of information about such topics will not be permitted at AAOA meetings or other activities.
- There will be no discussions discouraging or withholding patronage or services from, or encouraging exclusive dealing with any supplier or purchaser or group of suppliers or purchasers of products or services, any actual or potential competitor or group of actual potential competitors, or any private or governmental entity.
- There will be no discussions about allocating or dividing geographic or service markets or customers.
- There will be no discussions about restricting, limiting, prohibiting, or sanctioning advertising or solicitation that is not false, misleading, deceptive, or directly competitive with AAOA products or services.
- There will be no discussions about discouraging entry into or competition in any segment of the marketplace.
- There will be no discussions about whether the practices of any member, actual or potential competitor, or other person are unethical or anti-competitive, unless the discussions or complaints follow the prescribed due process provisions of the AAOA's bylaws.
- Certain activities of the AAOA and its members are deemed protected from antitrust laws under the First Amendment right to petition government. The antitrust exemption for these activities, referred to as the Noerr-Pennington Doctrine, protects ethical and proper actions or discussions by members designed to influence: 1) legislation at the national, state, or local level; 2) regulatory or policy-making activities (as opposed to commercial activities) of a governmental body; or 3) decisions of judicial bodies. However, the exemption does not protect actions designed to cover-up anticompetitive conduct.
- Speakers at committees, educational meetings, or other business meetings of the AAOA shall be informed that they must comply with the AAOA's antitrust policy in the preparation and the presentation of their remarks.
- Meetings will follow a written agenda. Minutes will be prepared after the meeting to provide a concise summary of important matters discussed and actions taken or conclusions reached.
- At any informal discussions at the site of any AAOA meeting, all participants are expected to observe the same standards of personal conduct as are required of the AAOA in its compliance.

Leadership

MAILING LIST POLICY

The AAOA/F values its members highly, and strives to protect their personal data. On occasion select organizations may wish to interact with our membership and seek to communicate with them. Inquiries into such interaction will be carefully assessed on a case-by-case basis and approved or denied through a joint decision between the President, Secretary, or Corporate Development Chair and Executive Director/CEO of the AAOA/F. Further input from additional Board members might be solicited as well.

The requestor will be required to provide a copy of the proposed mailing piece and a cover letter explaining their intended usage of mailing labels along with the signed licensing agreement. The mailing list is licensed for a one-time use only by the requestor.

Prior to delivery on orders, the proposed mailing piece and full payment must be submitted to the AAOA. If two or more sets of labels are requested, the request must be accompanied by each mailing piece. The mailing list and the information contained therein are not to be duplicated, transferred, reproduced, or altered. After completion of such mailing, any unused labels or list will be destroyed and will not be used for any other purpose. The content of each mailing piece is monitored by the AAOA, and the AAOA has the absolute right to deny any list sale.

The mailing list will consist of a name and address; no phone numbers nor emails will be released. Emails will only be released for industry-sponsored events tied to programs and then only those registered.

In an effort to be transparent and fair, the AAOA/F will maintain consistent charges for mailing lists across all interested parties; the fees to be set by the AAOA/F board.

Requestors will be permitted to order a list based upon their needs as follows:

- Physicians Only (Active Members Only) (Approx. 1500 names)
- Physicians and Residents (Active Members Only) (Approx. 2000 names)
- Full Membership (Active Members Only) (Approx. 2900 names)

FINANCIAL

POLICY ON COMMERCIAL SUPPORT

Purpose: To clarify process and guidelines to which AAOA adheres to solicit, receive, and report/reconcile commercial support, especially as it relates to CME functions.

These guidelines are not meant to be comprehensive. However, they are intended to serve as a useful guide for AAOA staff and other CME planners .

- 1) Income from Advertising and Marketing must be clearly differentiated from 'Commercial Support' as defined by the ACCME.
- 2) Letters of agreement are to be obtained for contributors of in-kind support, as well as monetary donations. Course directors shall inspect signed letters of agreement prior to CME events.
- 3) All commercial interests will be given equal opportunity to provide either 'commercial support' or advertising/marketing opportunities at AAOA CME events.
- 4) A standard set of advertising options will be offered to commercial entities who wish to have a presence at AAOA CME events.
- 5) Commercial interests will not be allowed to sponsor faculty dinners during CME events.
- 6) Solicitation for in-kind support (allergy testing supplies, spirometry equipment, etc.) shall be distributed to all major allergy vendors to ensure equal opportunities and commercial balance.
- 7) The sale of advertising opportunities is completely independent of 'commercial support' for CME events. Commercial supporters shall not be given any preference for advertising opportunities.

In addition to the above, all accepted 'commercial support' will conform to the rules laid out in the ACCME Standards for Commercial Support.

Reviewed 9/11: AAOA Board of Directors

Education

LEADERSHIP, PLANNER, FACULTY, & AUDITOR MEETING SUPPORT

Purpose: To define official CME and leadership roles and reimbursement.

Course faculty at an AAOA meeting are defined as individuals delivering three or more lectures during the educational session. Course faculty and the course director's expenses (e.g., registration, travel, hotel, meals) will be covered by the AAOA.

The AAOA President, President Elect, Coordinator for Education, and Educational Programs Chair are eligible to attend any AAOA course (Basic, MOC, or Advanced) with expenses covered (e.g., registration, travel, hotel, meals).

The Corporate Development Chair and the Educational Assessment Chair are each eligible to attend one AAOA course (Basic, MOC, or Advanced) with expenses covered (e.g., registration, travel, hotel, meals).

With the exception of the AAOA Annual meeting, the expenses incurred by participants in meeting planning sessions will be covered by the AAOA (e.g., travel, hotel, meals).

No travel support or registration discounts shall be offered to allied health of faculty or leadership.

The AAOA encourages its leadership in general to attend AAOA meetings. To facilitate this process each AAOA Board member and Educational Committee member will be permitted to select one AAOA course per year (Basic, MOC, or Advanced) to attend with registration covered, while the member covers their own travel/hotel/meals.

At the discretion of the AAOA Board of Directors, additional individuals may be granted partial (e.g., registration) or full travel support (e.g., registration, travel, hotel, meals) to meetings if their presence at the meeting is deemed necessary for the good of the organization. This might include course auditors, guest lecturers from outside AAOA membership, or AAOA representation at an important non-AAOA meeting.

It is the policy of the Academy, as established by the Board of Directors, to reimburse travel expenses on the basis of necessary and actual expenditures involved. Members are asked to PLEASE READ the AAOA/F meeting expense policy. Afterward, fill out the entire travel expense reimbursement report. If it is not complete, they will not be reimbursed.

Honoraria

If the course yields a profit, faculty are eligible for a \$1000 honoraria for physicians and \$500 honoraria for allied health in recognition of their hard work and commitment. If the course does not yield a profit, the CME Committee and/or the Foundation Board will consider the feasibility of granting honoraria.

Adopted: January 2013

Updated by Board: June 2014

Education

INVITED GUEST SPEAKER

Our Programming Policy limits speaker reimbursement as follows. Non-AAOA Speakers:

Total Reimbursement: International guest speaker will be granted a \$2500 stipend plus a hotel room costs
Domestic guest speaker will be granted \$1500 stipend plus hotel room costs

The stipend is proffered to cover travel costs.

AAOA Members:

Total Reimbursement: Complementary registration for primary speaker

All speakers receiving reimbursement must submit an IRS w-9 form. IRS 1099 forms will be issued for all reimbursement over \$500/year.

Approved: January 2004

Revised for Approval: January 2013

Updated by Board: June 2014

AAOA/FOUNDATION VOLUNTEER & STAFF TRAVEL POLICY

It is the policy of the AAOA and its Foundation to provide those who travel on behalf of the organization with reasonable levels of comfort and convenience. AAOA expects the traveler to exercise discretion with AAOA funds and anticipates that neither the association nor its traveler will profit from these expenses.

The Travel Expense Reimbursement Policy is the guide by which all AAOA members and staff should adhere when there is a travel-related expense associated with attending specific meetings or events on behalf of the AAOA/F.

The reasonable travel expenses of authorized members and the Boards of Directors for participation at AAOA/F meetings not held in conjunction with the Annual Meeting, as well as the expenses of members authorized to officially represent the AAOA/F at other related meetings, are reimbursable. Unauthorized expenses incurred by an AAOA member or staff will not be reimbursed.

The AAOA travel policies and procedures outlined below are to serve as a guideline for AAOA-related travel, entertainment, and miscellaneous expense reimbursements. AAOA recognizes that in some isolated cases, business-related expenses might need to be reviewed on a case-by-case basis; however, this primarily applies if the expense in question was not discussed in this policy.

Reimbursable Expenses—Reimbursable expenses include non-refundable coach airfare and one checked or carry on bag, ground transportation (i.e. cab; shuttles), airport parking (long-term), and meals that are not provided as part of the meeting, hotel accommodations, and reasonable tips (15-20%).

Authorization—All travel on behalf of the AAOA must be for budgeted travel and approved in writing at least 30 days in advance by the Executive Director or key program staff.

Transportation:

Airfare—Air travel coach class reservations must be made at least 14 days in of travel date to the airport nearest the meeting. All fares over \$600 must be pre-authorized and shown to be the lowest fare available at that time.

- The traveler is expected to use the lowest logical fare available
- The traveler will need approval prior to purchasing a ticket that exceeds \$600
- Repurchase of tickets and/or ticket change fees will not be reimbursed unless pre-authorized.
- Upgrades for travel are not reimbursable.

Late purchase fares will only be reimbursed up-to-\$600. The purchase of a full refundable coach fare, or travel to a distant airport in order to obtain special benefits, is not acceptable and will only be reimbursed up-to the cost of a non-refundable coach ticket to the nearest airport. If super-saver fares requiring a Saturday night stay are purchased, the additional hotel night and accompanying meal expense will be reimbursed only if an overall savings can be demonstrated.



Trains and Personal Automobile—Travel by train will be reimbursed up-to the cost of a round trip standard coach class airline ticket. Travel by automobile will be reimbursed at the mileage rate in use by the IRS, as long as the total amount – to include any parking related charges – does not exceed the amount of economy airfare. Documentation (i.e. Google maps, MapQuest, etc.) indicating route, starting and ending location addresses, and miles traveled must accompany the request for reimbursement. Overnight lodging and extra meal expenses will not be reimbursed for automobile travel when air transportation is available.

Ground Transportation—Personal auto mileage, airport parking (long term), and cab/Uber/Lyft expenses to and from the airport are reimbursable expenses, as are cab fares between the airport and the meeting hotel when free hotel shuttle service is not available. Cab/Uber/Lyft fares for transportation to and from restaurants within reasonable proximity of the meeting hotel are also reimbursable. The cost of sedan/limo service is not reimbursed, unless it can be documented to be no more than local cab fare.

Rental Cars—Reimbursement is not made for rental cars, or related parking charges, unless such rental is demonstrated to be cost effective and pre-approved by the Executive Director.

If booking one's own travel, please share itinerary with staff in advance to help coordinate other logistics.

Special Travel Issues/Cancellations – In the event of inclement weather, which prohibits the member from attending a scheduled meeting due to flight cancellations or dangerous road conditions to the airport, the member is required to apply the unused ticket toward the next scheduled AAOA/F meeting s/he is scheduled to attend (other than the Annual Meeting). Hotel reservations must be cancelled as soon as the member is aware travel will not occur to avoid a “no show” charge.

Lodging/Hotel – Hotel reservations will be made by AAOA staff. AAOA will not pay for hotel reservations secured outside of its designated hotel unless prior authorization has been granted. AAOA will not be responsible for room upgrades or incidentals.

Meals and Entertainment—Cost of reasonable meal expenses, including normal tips (15-20%), are reimbursable.

- Maximums permitted **per meal** are \$20 for breakfast, \$35 for lunch, and \$75 for dinner. These amounts may not be combined.
- Meals are NOT reimbursable when that meal is provided at the meeting or other related events.
- Entertainment expenses must be pre-approved by an authorized staff member and are reimbursable only when clearly a proper and necessary adjunct to the conduct of AAOA or Foundation business.

Tips—Tips for meals and ground transportation require notation on receipts. Tips should be no more than 20% of the bill and, if considered excessive, will not be reimbursed. Reasonable tips for baggage handling and maid service will be reimbursed; receipts are not required.

Non-Reimbursable Expenses—Transportation upgrades, sedan/limo service, hotel room upgrades, WiFi, in-room movies and minibar items, magazines, telephone calls, valet/dry cleaning charges, rental cars and their associated expenses (gas, parking, etc.) when not pre-authorized by the Executive Director, and expenses of spouses and companions. Also, travel and lodging expenses incurred because of member error will not be reimbursed.



The American Academy
of Otolaryngic Allergy

Documentation Requirements—All requests for reimbursement must be properly completed and submitted on the official AAOA/F Travel Expense Reimbursement Request form. Completed forms should be submitted within 30 days from the date the travel began. The AAOA/F maintains the right to deny reimbursement of expenses that are submitted after 90 days from the date the travel began, or after the close of the fiscal year (Dec 31), whichever comes first. Original receipts must be submitted for all individual expenses.

*FINANCIAL***FINANCIAL WHISTLE BLOWER PROTECTION**

It is the policy of the American Academy of Otolaryngic Allergy & Foundation to foster an environment of openness and fair dealing. Information concerning actions or failure to act that impacts the integrity and accuracy of the financial educational, or personal conditions of the American Academy of Otolaryngic Allergy & Foundation, its subsidiaries and related organizations is important and encouraged to be promptly disclosed. To that end, it is the American Academy of Otolaryngic Allergy & Foundation's policy to:

1. Maintain a record of any material complaint or concern raised about the integrity of the financial procedures and controls;
2. Address those complaints and concerns in a reasonably prompt manner;
3. Disclose such complaints or concerns to the Audit Committee of the American Academy of Otolaryngic Allergy & Foundation along with the corrective action taken or planned to address the issues raised;
4. Ensure that any individual bringing such complaints or concerns forward will not be subject to any adverse employee action based on the disclosure of those complaints or concerns.

Further, to encourage employees to promptly disclose material deficiencies or weaknesses or other material items impacting the integrity of the financial procedures and controls of the American Academy of Otolaryngic Allergy & Foundation, employees may, on a confidential basis, report such concerns to the Chairman of the Board/President, the Audit Committee liaison, or other Senior Staff of the American Academy of Otolaryngic Allergy & Foundation. Complaints or concerns will be turned over to the General Counsel's Office for investigation and the results of the investigation will be reported to the Audit Committee. A record of all such complaints and concerns, along with the investigative outcomes, will be maintained on a confidential basis in the General Counsel's files.

Codified March 2008: AAOA Board of Directors

FINANCIAL

RECORD RETENTION & DISPOSAL

Purpose

The purpose of this Record Retention and Disposal Policy (the "Policy") is to ensure necessary "records" (as defined below) of the American Academy of Otolaryngic Allergy (AAOA) are adequately protected and maintained, and to ensure that records no longer needed or of no value are disposed of at the appropriate time.

The law requires AAOA to maintain certain types of records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject AAOA to penalties and fines, or charges of destruction of evidence or contempt, cause the loss of legal rights, or significantly impair AAOA's ability to defend itself in litigation.

Administration

The Executive Director/CEO shall be responsible for developing, implementing and proposing revisions to this policy governing the retention and disposal of AAOA's records. The Executive Director/CEO will designate others, on an ad hoc basis, to assist in implementing this policy, including the following:

- Identifying and evaluating which records should be retained;
- Publishing an appropriate retention and disposal schedule;
- Monitoring local, state, and federal laws affecting record retention;
- Annually reviewing the record retention and disposal program;
- Developing a training program for personnel responsible for record storage and maintenance; and
- Monitoring for compliance with the record retention and disposal program.

Implementation

For purposes of implementing this policy, AAOA's organizational follow the record retention guidelines noted in the attached appendix.

In the event of a governmental audit, investigation, or pending litigation, record disposal may be suspended at the written direction of the [title] or legal counsel. In addition, the Executive Director/CEO or legal counsel should be informed of any situation that might give rise to legal action as soon as the situation becomes apparent. Record disposal after any suspension shall be resumed only at the written direction of the [title] after consultation with AAOA's legal counsel.

The AAOA will ensure that its employees are fully informed of this policy and confirm that they agree to comply with this policy. Employees must be informed that any question regarding this policy is to be directed to the Executive Director/CEO.

Applicability

This policy applies to all records generated in the course of AAOA's operations, including both originals and reproductions. It also applies to records stored on computer and microform, electronic mail and electronic voice mail.

To the extent that there are multiple copies of records, either in paper or electronic form, only one copy of each record need be retained. Likewise, if there are multiple drafts of a particular record, only the final record need be retained, unless such drafts reflect a course of communication by and between AAOA and non- AAOA personnel.

Retention Periods

From time-to-time AAOA will establish retention or disposal schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents are identified in Appendix I attached hereto.

Definition of "Record"

A "record" is any body of information that has been documented from the business activities of AAOA, whether in written or electronic form. Examples of "records" include: financial data, statements and associated workpapers; analyses; agreements; books; contracts; charts or tables; data; correspondence and communications, which are created, sent or received; diagrams; electronic messages (e-mail, text messages and voice mail); images; invoices; letters; logs; maps; memoranda; opinions; plans; projections; statements; studies; research and any other thing containing information. Examples of what may not be "records" for record retention policies are: (a) superseded drafts of documents, including memoranda, financial statements or regulatory filings; (b) notes on superseded drafts of memoranda, financial statements or regulatory filings that reflect incomplete or preliminary thinking; (c) previous copies of workpapers that have been corrected for typographical errors or errors due to training of new employees; or (d) duplicates of documents.

A “record” may exist in various forms, including printed, electronic or recorded format (e.g., letters, e-mail messages, text messages and voice-mail messages). “Records” stored electronically also include records that are stored using equipment located within AAOA’s property or on other devices (whether or not owned by AAOA) such as: cellular telephones; laptop or other portable computers; and personal data assistants (Blackberry, iPhone, Palm or other similar personal communication devices). By way of example and not in limitation of the foregoing, the term “record” includes all copies of records made to enable AAOA personnel to work outside AAOA’s offices.

Record Retention: Appendix I

Type of Document	Retention Period
Accident Reports/Claims (Settled Cases)	7 years
Accounts Payable Ledgers & Schedules	7 years
Accounts Receivable Ledgers & Schedules	7 years
Archive of all Website Content	7 years
Audit Reports	Permanently
Bank Statements	7 years
Bank Reconciliations	2 years
Bond Issuances & Ledgers, Transfer Registers, Stubs Showing Bond Issuances, Debt Issuances, Etc.	Permanently
Chart of Accounts	Permanently
Checks (Cancelled Checks for Important Payments, Special Contracts, Purchase of Assets, Tax Payments, etc.) Checks should be filed with the papers pertaining to the underlying transaction	Permanently
Checks (Cancelled except those noted above)	7 years
Contracts & Leases (Expired)	7 years
Contracts & Leases (Still in Effect)	Permanently
Corporate Minutes	Permanently
Correspondence, General & Schedules; Routine with Customers/Vendors	3 years
Correspondence, Legal, & Important Letters	Permanently
Deeds, Mortgages, & Bill of Sale	Permanently
Depreciation Schedules	Permanently
Duplicate Deposit Slips	3 years
Employee Personal Records (after termination)	3 years
Employment Applications (non-hires)	3 years
Financial Statements (Year-End, Other Months Optional)	Permanently
Financial Statements (Other)	7 years
General Ledgers, Year-End Trial Balances	Permanently
Immigration Matters	The longer of (i) entire term of employment + 1 year or (ii) 3 years
Insurance Records, Policies, etc.	Permanently
Internal Audit Reports (Miscellaneous)	3 years
Invention/Innovation Journals (or any other documents or information evidencing creation, modification or ownership of intellectual properties, or other company property)	Permanently
Inventory Records	7 years
Invoices to Customers or from Vendors	7 years
SepIRA or Related Pension Contributions, Rollovers, Transfers, & Distribution	Permanently
Payroll Records, Summaries, & Tax Returns	7 years
Petty Cash Vouchers	3 years
Property Records, including Costs, Depreciation Reserves, Year-End Trial Balances, Depreciation Schedules, Blueprints, & Plans	Permanently
Purchase Orders	3 years
Receiving Sheets	3 years
Retirement & Pension Records	Permanently

Type of Document	Minimum Requirement
Safety Records	7 years
Sales Records	7 years
Stock & Bond Certificates (cancelled)	7 years
Subsidiary Ledgers	7 years
Tax Returns, Revenue Agents' Reports, and Other Documents Relating to Determination of Income Tax Liability	Permanently
Time Books, Cards, & Daily Reports (timesheets)	7 years
Trademark Registrations, Patent Letters, & Copyright Registrations	Permanently
Transcripts	Permanently
Voucher Register & Schedules	7 years
Vouchers for Payment to Vendors, Employees, etc. (includes Allowances & Reimbursements of Employees, Officers, Faculty, etc. for Travel & Entertainment Expenses)	7 years

Adopted: March 2008

Updated for Board Consideration: January 2013

AAOA POLICY ON NET ASSETS

I. Purpose

The purpose of this policy is to ensure establishment and maintenance of a minimum level of net assets that could be used to pay operating expenses of the American Academy of Otolaryngic Allergy (AAOA) in the event of unanticipated circumstances adversely affecting the financial condition of AAOA. Additionally, the policy furnishes guidelines regarding the accumulation of net assets and, when appropriate, the expenditure of net assets in a manner approved by the Board of Directors and designed to further the mission of AAOA.

II. Objectives

The AAOA shall establish and maintain a net asset ratio, defined as unrestricted net assets divided by total annual operating expenses. For purposes of determining the calculation of total annual operating expenses each fiscal year, the term "total annual operating expenses" shall mean the actual (or, where relevant, budgeted) expenses for AAOA in all areas of operation. The targets for the net asset ratio shall be:

- A minimum of 75% (i.e., at least 9 months of total annual operating expenses); and
- A maximum of 150% (i.e., no more than 18 months of total annual operating expenses).

The Finance Committee shall review the net asset ratio targets annually in conjunction with the budget assumption process. The net asset ratio target amounts shall be adjusted as appropriate based upon the current environment, projected use of unrestricted net assets, and a review of industry standards. The net asset ratio targets shall be reviewed by the full Board minimally every three years and adjusted periodically for inflation as appropriate.

III. Guidelines

In any instance where the net asset ratio falls below the 75% minimum target (less than 9 months of total annual operating expenses), the Finance Committee in consultation with the Executive Committee or Board of Directors shall generally develop and take appropriate measures, if deemed necessary, to restore the net asset ratio to the minimum target level.

In any instance where the net asset ratio exceeds the 150% maximum target (more than 18 months of total annual operating expenses), the Finance Committee, in consultation with the Executive Committee or Board of Directors, may consider recommendations to invest the excess net assets in the development of additional membership benefits or to further the best interests of AAOA and its members or both. (See Exhibit A)

Nothing in this policy shall be construed to prohibit the creation of additional membership benefits or to further the best interests of AAOA and its members when the net asset ratio is below the maximum target. Nor shall it be interpreted to preclude the initiation of cost-saving or revenue-creating measures when the net asset ratio is above the minimum target. Depending upon the circumstances, measures to enhance or reduce expenses or net assets may occur as part of the annual budget process or as budget re-forecasting during the year.

IV. Invested Assets

Invested assets of AAOA include, but are not limited to, its Long-Term Investment Fund, Short-Term Investment Fund, and Operating Fund. Information, guidelines, and limitations as to the Funds including objectives, management, and reviews are contained in a separate policy governing those Funds.

Approved by Board: Fall 2009

Revisions Considered/Recommended by Finance Committee: March 2014

Approved by Board: June 2014

EXHIBIT A
American Academy of Otolaryngic Allergy (AAOA)
STRATEGIC INVESTMENT PROCESS (SIP)

**1. Finance Committee Review of Net Asset Levels;
Trigger to Implement Strategic Investment Process (SIP)**

At its March meeting, the Finance Committee shall review the funding levels of the net assets of AAOA based upon the internal financial statements as of December 31 of the preceding year¹. If the average net asset ratio as of December 31 for the preceding 3 years exceeds 1.50, the Finance Committee will initiate the following process to consider spending a portion of the net assets consistent with the expenditure criteria described below to maintain a net asset ratio consistent with this Policy on Net Assets.

2. Strategic Investment Process (SIP)
a. Notice of Solicitation of Proposals

The Finance Committee will instruct AAOA's chief executive officer to request that key AAOA Chairs and program leads in consultation with staff, and with committee chairs if recommendations are broader than one workgroup, submit written mission-based, strategic, new, non-recurring initiative proposals for extraordinary, unbudgeted expenditures in AAOA capital or operations ("Proposals") for inclusion in the following year's Budget, and that such proposals be returned to the chief executive officer by no later than July 15th or inclusion in the following fiscal year's Budget Assumptions (the "Solicitation Period").

b. Review of Proposals; Finance Committee Recommendation

Upon closing of the Solicitation Period, the chief executive officer shall distribute the Proposals to the Finance Committee for consideration at its meeting concerning the Budget Assumptions. The Finance Committee will evaluate all proposals based on the evaluation criteria described below and may interview proponents of the proposal to obtain additional information. Following consideration, the Finance Committee may recommend one or more proposals for inclusion in the Budget Assumptions.

c. Evaluation Criteria

Proposals for expenditure must meet the following criteria:

- I. Proposals must involve an expenditure not ordinarily considered as operational. These include, but are not limited to, research and development on projects projected to generate revenue or member benefit in the future and implementation of projects that are projected to lose revenue initially but promise net revenue over time or significant increases in member benefit over a sustained period of time.
- II. Proposals must be consistent with the mission of the AAOA, and provide additional AAOA member benefit, facilitate delivery of member benefits, function to improve the capabilities of staff to offer member services, support and develop strategic AAOA growth, advance the public interest mission of the AAOA, or exhibit such additional purposes that are consistent with the mission of AAOA.
- III. If a Proposal involves funding over a period of years, it cannot exceed three years, or it must demonstrate sustainability by the end of the third year. Sustainability is defined as net revenue or an expansion of member benefit that can be absorbed in the operating budget by the third year.
- IV. Proposals must include budget estimates of financial resources needed to accomplish the activity or service, including direct expenses, revenues expected, and staff resources needed.
- V. Each Proposal must describe the method for measuring the expenditure's success and proponents of the proposal must report to the Executive Committee evidence of such measurement explaining the expenditure's accomplishments and/or shortcomings.

¹ Upon issuance of the audited financial statements relating to the preceding year, which is expected subsequent to the March Finance Committee meeting, the calculation of available funds for SIP purposes will be updated accordingly.

d. Board Approval

Recommendations to expend net asset funds must be approved by the Board in the context of the annual budget. The Board shall evaluate each Proposal in light of the evaluation criteria described above, among other relevant considerations, including whether expenditures are consistent with this Policy on Net Assets and in the best interests of the financial well-being of the AAOA.

e. Extensions of Approved Proposals

Board Members may recommend “additional spending proposals” significantly related to an already approved expenditure of excess net asset amounts at any point during the fiscal year. Such proposal must enhance and build on the original proposal. Such an “additional spending proposal” may be approved by a majority of the Board or Executive Committee. If approved, such proposal will be funded out of excess net asset amounts as if such proposal had been included in the originally approved proposal for an extraordinary unbudgeted expenditure.

Adopted by Board: June 2014

FINANCIAL

IRS FORM 990 REVIEW

Purpose: To define process for IRS Form 990 compilation and review.

The American Academy of Otolaryngic Allergy (AAOA) has an extensive review process. A Tax Professional (CPA) from the AAOA's independent accounting firm that audits the AAOA's financial statements prepares a draft of the form 990 with input from senior staff and its outsourced accounting services consultants (another CPA firm). Any changes or concerns are brought to the attention of management and necessary modifications are made prior to the preparation of a final draft. The final draft is then forwarded to the Finance Committee for review. The final 990 is circulated electronically to the elected leadership prior to filing.

Adopted: January 2013

FINANCIAL

AAOA INC. INVESTMENT POLICY AND GUIDELINES

Introduction

This statement of investment policy has been adopted by AAOA Inc. to provide guidelines for the investable funds held by the organization.

For the purpose of managing investment risk and to optimize investment returns with acceptable risk parameters, the funds held will be divided into two separate pools. The two pools shall be called the "Contingency Reserve Fund" and the "Long-Term Fund". In addition, an Operating Fund may be maintained at a bank for the purpose of meeting budgeted financial obligations in a timely manner.

Purpose

The purpose of this statement is to assist AAOA Inc., to articulate a comprehensive and disciplined investment program for the portfolio by:

- Stating in a written document AAOA Inc.'s attitudes, expectations, and objectives regarding the investment of the portfolio's assets;
- Clearly defining the separate responsibilities of AAOA Inc.'s Finance Committee, the Treasurer and CEO, the Investment Consultant(s) and the Investment Manager(s);
- Providing specific performance criteria against which to evaluate the performance of the Investment Manager(s).

Delegation of Responsibilities (outlined in Addendum B) Responsibilities of AAOA Inc.'s Board of Directors

- Review and approve the Investment Policy Statement as provided by the Finance Committee.

Responsibilities of AAOA Inc.'s Finance Committee

- Establish reasonable investment objectives and have overall oversight responsibility;
- Invest the portfolio in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, considering the purposes, terms, distribution requirements, and other circumstances of the investment portfolio.
- Develop investment policy guidelines (the "Investment Policy Statement"), which are consistent with the investment objectives; review annually at the time of the year-end financial report for any necessary revisions. Recommend the Investment Policy Statement (IPS) to the Board for approval.
- Determine the amount of funds to be placed in the Contingency Reserve Fund and the Long-Term Fund after day-to-day operating funds have been set aside.
- Approve the transfer of funds from the Long-Term Fund into the Contingency Reserve Fund, and vice-versa, after an annual snapshot of contingency needs and portfolio return of the Long-Term Fund. Inform the AAOA Inc. Board of such transfers in a timely manner.
- Review portfolio performance reports provided by the Investment Consultant on a quarterly basis and ask hard questions when the performance of either the entire portfolio or a specific portfolio manager is below the relevant benchmark.
- Select (and propose discharge of) the Investment Consultant(s) for approval by AAOA Inc.

AAOA Inc.'s Treasurer and Executive Director/CEO

- Determine the required cash balance necessary for the Contingency Reserve Fund. Any excess cash may be invested and used to rebalance the portfolio

- Invest the assets of AAOA Inc. Long-Term Fund based on guidelines set forth herein.
- Carry out Operational responsibility of account opening and other administrative matters related to the operation of the Contingency Reserves Fund and the Long-Term Fund.
- Together approve any tactical shifts from the Target asset allocation listed in this document and approve rebalancing recommendations and any manager changes, including discharge of any Investment Manager(s) for the manager's failure to perform as mutually expected.
- Along with the Finance Committee, review portfolio performance reports provided by the Investment Consultant on a quarterly basis

Responsibilities of the Investment Consultant

- Assist AAOA Inc. in establishing investment objectives;
- Recommend appropriate Investment Manager(s) to AAOA Inc. and provide, at least annually, an analysis of the mix of money managers to include their performance, risk statistics, universe rankings and other metrics to the Finance Committee.
- Provide at least quarterly analysis of the Manager's performance;
- Communicate with the Treasurer and/or Executive Director regarding all matters pertaining to the investment of the portfolio's assets.
- Provide asset allocation modeling to help AAOA Inc. make prudent decisions related to the selection of the Target asset allocation model. Further provide proactive guidance on Tactical asset allocation changes based on the prevailing or anticipated market environment.

Responsibilities of the Investment Manager(s)

- Manage in accordance with the policy guidelines and objectives expressed herein,
- Exercise complete investment discretion, including decisions to buy, hold and sell equities, cash equivalents, and fixed income securities in the amounts and proportions reflective of the manager's current investment strategy and compatible with AAOA Inc.'s guidelines.
- Communicate with the Investment Consultant(s) regarding all significant matters pertaining to the investment of the portfolio's assets, including changes in the investment strategy, asset mix, portfolio structure, and market value of the portfolio's assets.

AAOA Inc. "Contingency Reserve Fund"

The purpose of the Contingency Reserve Fund is to meet the requirements from unbudgeted expenses and for capital expenditures of AAOA in a timely manner. The primary goal of investing Contingency Reserve Funds is to provide liquidity to the operating fund as needed, while maximizing investment income. However, maximizing investment income is a secondary consideration to maintaining safety of principal.

Investment Objectives

The investment objectives of these funds are as follows:

1. Preservation of Capital
2. Liquidity
3. To optimize the investment return within the constraints of (1) & (2) above

Investment Guidelines

Allowable Investments

The Treasurer and Executive Director shall be authorized to invest the Contingency Reserve Fund as follows:

- Federally-Insured Certificates of Deposit not to exceed \$250,000 including interest at commercial banks or savings and loans institutions
- Money Market Funds
- Interest bearing checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts;
- Direct Obligations of the U.S. Government, its Agencies and instrumentalities;
- Agency Discount Notes;
- Repurchase agreements with institutions whose senior debt rating is rated double A or better by Standard & Poor's and/or Moody's or where physical delivery of the collateral is made to a third party custodian.
- Any registered investment advisor retained by shall be authorized to invest, in addition to the investments authorized in previous sections, as follows:
 - Commercial Paper rated A-1/P-1 by Standard & Poor's and Moody's;
 - Commercial Paper backed by bank letters of credit where the long term letter of credit rating is rated at least double A by one rating service;
 - Corporate Notes with a minimum rating of A by one rating service.
 - Mutual funds that satisfy the above requirements. To the extent possible, funds should not be invested in proprietary funds offered by the consultant (except money market funds).

Maturity

The Contingency Reserve Fund shall have a weighted average maturity of three years or less. In the case of securities whose coupon resets on a periodic basis or there are "average life" considerations (such as in Agency Mortgage Backed securities), the length of the reset period or the expected average life shall be used to determine compliance with this investment policy's maturity guidelines.

Diversification

No more than 10% at cost of the Contingency Reserve Fund may be in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements collateralized by obligations of the U.S. Government, its agencies and instrumentalities, and federally insured certificates of deposit.

AAOA Inc.'s "Long-Term Fund" Purpose

The purpose of the Long-Term Fund is to provide financial stability to support the mission and to secure the long-term funding for the operations of AAOA Inc., especially in times of economic or organizational distress.

Investment Objectives

The primary investment objective of the Long-Term Fund is to achieve average annual return in a rolling 5-year period of 6% or CPI + 3%, whichever is greater.

Additionally, the Long-Term Fund performance will be measured in a three dimensional way. The following are the performance goals measured over a complete market cycle (5 years):

1. Achieve a rate of return, net of fees which meets or exceeds, the blended benchmark (comprised of the weighted average return of the applicable indices)
2. Achieve a risk-adjusted return, net of fees, greater than the blended benchmark.
3. Achieve a higher compounded dollar-value than the blended benchmark.

Investment Philosophy

AAOA Inc. recognizes that risk (i.e. the uncertainty of future events), volatility (i.e. the potential for variability of asset values) and the potential loss in purchasing power due to inflation are present to some degree with all types of investment vehicles. The assumption of a level of risk that is commensurate with AAOA Inc.'s objectives is warranted in order to allow the investment portfolio the opportunity to achieve satisfactory results consistent with the objectives and characteristics of the portfolio. Objectives will be measured by results achieved over a three-year moving period.

The objective of the account is to pursue a long-term goal designed to maximize the returns without exposure to undue risk, as defined herein. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the greatest concern is long-term appreciation of the assets and consistency of total portfolio return.

Risk, Volatility and Loss

AAOA Inc. will accept the portfolio exhibiting volatility characteristics that approximate the volatility of the blended benchmark. Nonetheless, it is AAOA Inc.'s preference that the maximum losses incurred by the portfolio in any one year not exceed that of the comparative index. The Investment Manager should take actions to minimize losses.

Asset Allocation

It is understood that due to market movements and due to Tactical adjustments (**as listed in Addendum A at the end of this policy**) the asset allocation at any given time will vary from the policy allocation. It will therefore be necessary to periodically rebalance the portfolio to the policy asset allocation. As a result of the asset allocation analysis, establishing and maintaining the following asset mix would best serve the objectives of the Long-Term Fund:

<u>Asset Category:</u>	<u>Policy Range</u>
Cash	0-20%
Equities	30-60%
Fixed Income	40-70%
Alternative Investments	0-20%

* **Note:** For the first 18-24 months after changing Investment Consultant(s) or during drastic economic periods, portfolio allocations may be gradually brought to target allocations as listed above. Therefore, allocations for any asset class may deviate significantly from the target and the range during such periods – such situations will not be considered a violation of this investment policy statement.

Re-balancing Procedures and Additions to the Contingency Reserve Fund

The ranges set forth above are intended to act as thresholds that should be reviewed quarterly by AAOA Inc. after receipt of quarterly investment reports from the Investment Consultant(s). The Investment Consultant(s) will regularly monitor the portfolio for any variations from target allocations, as specified in Addendum A. The following discipline will be followed for rebalancing:

1. If the actual allocation in any of the four major asset classes (Equities, Fixed Income, Alternatives and Cash) varies from the policy allocation by at least 5% in absolute value (for example, if 35% in fixed income was to go down to 30% or go up to 40% of total portfolio value), it will call for rebalancing of the portfolio back to the policy allocation. The Investment Consultant(s) will provide information regarding such variations as quickly as is practically feasible to the Treasurer and Executive Director and obtain verbal authorization to implement the necessary rebalancing of the portfolio to the policy allocation.
2. Once the initial transition into the policy asset allocation is complete, the portfolio will be evaluated at the end of every calendar quarter and any variations of 5% or greater will generate a rebalancing recommendation. The approval process detailed above will apply.

If possible, new cash flows should be used for rebalancing. If new cash is not available, current investments should be bought and sold to achieve the target asset allocation.

Especially during periods of excess market return over the annual 6% target, the Finance Committee reserves the right to transfer funds up to the amount of excess return over annual target into the Contingency Reserve Fund. During market periods when the portfolio has not achieved its annual 6% target return, such transfers from the Long-Term Fund into the Contingency Reserve Fund are permitted only with Board approval.

Diversification, Marketability, Yield and Quality Consideration

Seeking to establish a diversified program of investments, Fund assets shall be invested under the management of one or more registered investment advisors, variable and/or fixed annuities, mutual funds, alternative investments (with limits, as discussed under the section "Alternative Investments" below) and/or Index-Linked Exchange Traded Funds (ETF) or Unit Investment Trusts (UITs) in portfolios of Domestic (U.S.) Equities, Domestic Fixed Income and International Equities. Investment vehicles and amounts allocated to each vehicle may change after a thorough review of the capital markets.

The types of stocks and market capitalization of the companies purchased for the portfolio are within the discretion of the investment manager. The manager is expressly permitted to invest in small, medium and large capitalization stocks.

Equity Portfolio

- Equity holding in any one company in each investment advisor's portfolio may not exceed 7.5% of portfolio at cost or 10% of account value (except in mutual funds or other pooled investments).
- Equity holding in non-U.S. investments may not exceed 30% of the market value of the portfolio.
- Equity securities shall in general possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis.

Fixed Income Portfolio

- Investments in bonds should be actively managed. Active management is meant to include shifting sector emphasis as well as affecting other prudent strategies that enhance the portfolio or decrease the volatility or exposure to capital depreciation. However, the weighted average maturity of the portfolio must be 10 years or less.
- The diversification of fixed income securities by maturity, sector, and geography is the responsibility of the Investment Consultant.
- Individual Fixed Income securities shall be invested in marketable, fixed income securities of intermediate-term maturity with a rating of no less than "BBB", or investment grade, as rated by Standard and Poors or Moody's. The average rating of the fixed income portfolio as a whole, however, should not be below "A" as rated by Standard and Poor's or Moody's.
- The following instruments are acceptable:
 - a. Commercial Paper or Variable Rate Notes of P-1 or equivalent rating.
 - b. Certificates of Deposit and Bankers Acceptances (A-rated or above)
 - c. United States Treasury Bonds, Notes and Bills.
 - d. Repurchase agreements with U.S. Treasury Securities and agencies of the U.S. Government as collateral.
 - e. Debt instruments of the U.S. Government or its agencies.
 - f. Fixed annuities with underlying fixed income instruments.
 - g. Corporate debt issues with an investment grade rating from a major bond-rating agency such as Moody's or Standard and Poors (BBB-rated or higher).
 - h. Convertible, High Yield, and International Bond Mutual Funds
- Bonds that are split rated will, for the purposes of this portfolio, be considered investment grade and thus eligible for purchase. Split rated bonds are defined as bonds that have an investment grade rating with Standard & Poors and a non-investment grade rating with Moody's or vice versa.
- The portfolio's fixed income exposure to any specific industry group may not exceed 20% of the market value of the

total portfolio.

- Fixed Income holding of a single issuer may not exceed 10% of the market value of the total portfolio.
- The portfolio diversification requirements do not pertain to investments in debt securities issued by the United States Government or its fully guaranteed agencies.

Alternative Investments Portfolio

- A range of alternative investments may be considered prudent to be included in the overall asset allocation with the objective of creating favorable risk-reward characteristics for the overall portfolio. These alternative investments may include Private Equity, Managed Futures (Limited Partnerships), Hedge Funds or Hedge Replication Strategies, Inflation- Indexed Securities, Hedged Portfolios using Put and Call Options, Real Assets/Natural Resources and Commodities.
- The target allocation for such diversified alternative investments may range from 0%-20% of the total market value of the portfolio. However, no more than 10% of the alternative investments may be invested in any one sub-category such as Hedge Fund of Funds, TIPS, Private Equity, etc. This allocation is limited due to the high risk, long-term, illiquid nature of such commitments.
- AAOA Inc. recognizes that while such alternative investments may carry a higher degree of risk if considered on their own, they may potentially reduce total portfolio risk and enhance total portfolio return since they may be uncorrelated to other asset classes in the portfolio mix.

Cash Equivalents Portfolio

- It is desirable that the Investment Manager use interest-bearing money market funds and other cash equivalent securities with a maturity of 1 year or less. AAOA Inc. understands that at certain times attractive opportunities might arise with securities with longer maturities. The manager is permitted to invest in such securities.

Prohibited Transactions (except if executed in Alternative Investments).

- Purchase of securities on margin, options of all types, letter stock, private placements, securities whose issuers have filed a petition for bankruptcy, short sales, tax exempt securities, and warrants are prohibited, unless purchased as part of the "alternative investment" allocation or if purchased by a mutual fund for the purpose of hedging or risk reduction.
- The manager shall not purchase assets other than those mentioned as being appropriate in this statement, without the written consent of AAOA Inc.

Fund Performance Benchmarks

Investment Managers will be evaluated, over a three to five year period, against their respective benchmarks and peer groups. For example, a Large Cap Value manager will be compared against the Russell 1000 Value and the PSN or Morningstar Large Cap Value Universes.

For purposes of performance evaluation against the relevant benchmarks, calculation of current asset allocation percentages and for rebalancing decisions, each Investment Manager will be considered fully invested at all times during the performance measurement period regardless of the level of cash in each portfolio.

Review and Reporting

AAOA Inc.'s Finance Committee will review on a quarterly basis written evaluations of performance against the investment policies and benchmarks set forth above. The Committee will also review annual performance - the annual evaluation shall include the following:

A report of performance for each money manager for the past periods including the Last Quarter, Last 12 Months, Three Years and Since Inception - both absolute and relative to appropriate indices. Returns shall be annualized and calculated on a time-weighted basis for the total portfolio. All returns should include income and dividends.

Managers are expected to outperform their respective benchmark on a rolling 3-5 year period. Each manager's performance will be evaluated by the Finance Committee annually and by the Investment Consultant quarterly.

The Investment Consultant(s) will provide a quarterly performance summary and a detailed annual evaluation of the Contingency Reserve Fund and the Long-Term Fund to the Treasurer and Executive Director. The Treasurer and Executive Director will ensure that the quarterly and annual reports are provided to the Finance Committee.

The Finance Committee shall meet with the Investment Consultant at least annually or as requested to review Fund investments and the current investment environment. At meetings, the written and oral presentations shall cover the following:

1. The quarterly report described above.
2. A review of the financial markets and economies that may affect the portfolio's performance.
3. Discussion of the rationale for performance results by relating them specifically to investment strategy and tactical decisions implemented during the current review period.
4. Discussion of the manager's specific strategy for the portfolio over the next period with specific reference to asset allocation and portfolio characteristics, as appropriate.
5. Supporting discussion of the next period's strategy with reference to manager's capital market and economic assumptions, as appropriate.
6. Discussion of AAOA Inc.'s needs, goals and objectives, if different from previous quarter.

ADDENDUM A — POLICY ASSET ALLOCATION		
<u>Asset Class</u>	<u>Policy Allocation</u>	<u>Rebalancing Bands</u>
Equities	55.0%	+/- 5.0%
Large Cap Value	5.0%	
Core Equity	10.0%	
Large Cap Growth	5.0%	
All Cap Growth	15.0%	
International (Developed)	9.0%	
Emerging Markets	3.0%	
Global Demographics*	5.0%	
High Income Strategies – Equity**	3.0%	
Fixed Income	41.0%	+/- 5.0%
Investment Grade	40.0%	
High Yield**	1.0%	
International	0.0%	
Convertibles	0.0%	
Alternative Investments	4.0%	+/- 5.0%
Managed Futures	0.0%	
Hedge Fund of Funds	0.0%	
TIPS/Commodities	0.0%	
Natural Resources	3.0%	
Real Estate/REIT's**	1.0%	
Cash	0.0%	+/- 5.0%
TOTAL	100.0%	100.00%

* Global Demographics include investments in Infrastructure, Agriculture, Water, and Clean Energy

** High Income Strategies include the following investments:

- Equities: Preferred Stocks, Utilities, and Master Limited Partnerships (MLPs)
- Fixed Income: High Yield Bonds
- Alternatives: REITs



ADDENDUM B – DECISION PROCESS SUMMARY		
Decision/Task	Responsibility/Authority	Frequency
Investment Policy Statement: Develop, review, and recommend for approval to	AAOA Inc. Finance Committee	After initial design and approval, review end of each year
Authorize the movement of funds between the Long-Term Fund and the Contingency Reserve Fund	AAOA Inc. Finance Committee – duly inform the Board of such transfer.	Annually, at the first Finance Committee meeting after the end of fiscal year
Make target asset allocation recommendations	Investment Consultant	During Investment Policy Design and then ongoing based on market trends.
Review target asset allocation recommendations and recommend to Board for approval	Treasurer and Executive Director	At time of Investment Policy Statement review and approval and then as recommended.
Investment manager(s) and other investment recommendations	Investment Consultant	Initial recommendations after Investment Policy Statement design and then ongoing
Initial Investment manager(s) and other investment recommendations selection	AAOA Inc. Board	Initially after first recommendations by Institutional Consultant and then as needed
Replacement and/or addition of new investment	Treasurer and Executive Director	As recommended by Investment Consultant
Investment manager(s) due diligence	Investment Consultant	Ongoing
Monitoring portfolio for adherence to target asset allocation and making rebalancing recommendations	Investment Consultant	Ongoing and based on discipline outlined in Investment Policy and Guidelines
Approval of rebalancing recommendations	Treasurer and Executive Director	As quickly as practically feasible after receiving recommendations
Performance monitoring and reporting to AAOA Inc. Finance Committee	Investment Consultant	Quarterly detailed performance report & review

Adopted September 2006

Reviewed/Updated: September 2011 (Finance Committee)

Reviewed: January 2013

AAOA Foundation

AAOA FOUNDATION INVESTMENT POLICY AND GUIDELINES

Introduction

This statement of investment policy has been adopted by AAOA Foundation to provide guidelines for the investable funds held by the organization.

For the purpose of managing investment risk and to optimize investment returns with acceptable risk parameters, the funds held will be divided into two separate pools. The two pools shall be called the "Contingency Reserve Fund" and the "Long-Term Fund". In addition, an Operating Fund may be maintained at a bank for the purpose of meeting budgeted financial obligations in a timely manner.

Purpose

The purpose of this statement is to assist AAOA Foundation, to articulate a comprehensive and disciplined investment program for the portfolio by:

- Stating in a written document AAOA Foundation's attitudes, expectations, and objectives regarding the investment of the portfolio's assets;
- Clearly defining the separate responsibilities of AAOA Foundation's Finance Committee, the Treasurer and CEO, the Investment Consultant(s) and the Investment Manager(s);
- Providing specific performance criteria against which to evaluate the performance of the Investment Manager(s).

Delegation of Responsibilities (outlined in Addendum B) Responsibilities of AAOA Foundation's Board of Directors

- Review and approve the Investment Policy Statement as provided by the Finance Committee.

Responsibilities of AAOA/Foundation's Finance Committee

- Establish reasonable investment objectives and have overall oversight responsibility;
- Invest the portfolio in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, considering the purposes, terms, distribution requirements, and other circumstances of the investment portfolio.
- Develop investment policy guidelines (the "Investment Policy Statement"), which are consistent with the investment objectives; review annually at the time of the year-end financial report for any necessary revisions. Recommend the Investment Policy Statement (IPS) to the Board for approval.
- Determine the amount of funds to be placed in the Contingency Reserve Fund and the Long-Term Fund after day-to-day operating funds have been set aside.
- Approve the transfer of funds from the Long-Term Fund into the Contingency Reserve Fund, and vice-versa, after an annual snapshot of contingency needs and portfolio return of the Long-Term Fund. Inform the AAOA Foundation. Board of such transfers in a timely manner.
- Review portfolio performance reports provided by the Investment Consultant on a quarterly basis and ask hard questions when the performance of either the entire portfolio or a specific portfolio manager is below the relevant benchmark.
- Select (and propose discharge of) the Investment Consultant(s) for approval by AAOA Foundation.

AAOA Foundation's Treasurer and Executive Director/CEO

- Determine the required cash balance necessary for the Contingency Reserve Fund. Any excess cash may be invested and used to rebalance the portfolio

- Invest the assets of AAOA Foundation. Long-Term Fund based on guidelines set forth herein.
- Carry out Operational responsibility of account opening and other administrative matters related to the operation of the Contingency Reserves Fund and the Long-Term Fund.
- Together approve any tactical shifts from the Target asset allocation listed in this document and approve rebalancing recommendations and any manager changes, including discharge of any Investment Manager(s) for the manager's failure to perform as mutually expected.
- Along with the Finance Committee, review portfolio performance reports provided by the Investment Consultant on a quarterly basis

Responsibilities of the Investment Consultant

- Assist AAOA Foundation in establishing investment objectives;
- Recommend appropriate Investment Manager(s) to AAOA Foundation and provide, at least annually, an analysis of the mix of money managers to include their performance, risk statistics, universe rankings and other metrics to the Finance Committee.
- Provide at least quarterly analysis of the Manager's performance;
- Communicate with the Treasurer and/or Executive Director regarding all matters pertaining to the investment of the portfolio's assets.
- Provide asset allocation modeling to help AAOA Foundation make prudent decisions related to the selection of the Target asset allocation model. Further provide proactive guidance on Tactical asset allocation changes based on the prevailing or anticipated market environment.

Responsibilities of the Investment Manager(s)

- Manage in accordance with the policy guidelines and objectives expressed herein,
- Exercise complete investment discretion, including decisions to buy, hold and sell equities, cash equivalents, and fixed income securities in the amounts and proportions reflective of the manager's current investment strategy and compatible with AAOA Foundation's guidelines.
- Communicate with the Investment Consultant(s) regarding all significant matters pertaining to the investment of the portfolio's assets, including changes in the investment strategy, asset mix, portfolio structure, and market value of the portfolio's assets.

AAOA Foundation. "Contingency Reserve Fund"

The purpose of the Contingency Reserve Fund is to meet the requirements from unbudgeted expenses and for capital expenditures of AAOA in a timely manner. The primary goal of investing Contingency Reserve Funds is to provide liquidity to the operating fund as needed, while maximizing investment income. However, maximizing investment income is a secondary consideration to maintaining safety of principal.

Investment Objectives

The investment objectives of these funds are as follows:

1. Preservation of Capital
2. Liquidity
3. To optimize the investment return within the constraints of (1) & (2) above.

Investment Guidelines

Allowable Investments

The Treasurer and Executive Director shall be authorized to invest the Contingency Reserve Fund as follows:

- Federally-Insured Certificates of Deposit not to exceed \$250,000 including interest at commercial banks or savings and loans institutions
- Money Market Funds
- Interest bearing checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts;
- Direct Obligations of the U.S. Government, its Agencies and instrumentalities;
- Agency Discount Notes;
- Repurchase agreements with institutions whose senior debt rating is rated double A or better by Standard & Poor's and/or Moody's or where physical delivery of the collateral is made to a third party custodian.
- Any registered investment advisor retained by shall be authorized to invest, in addition to the investments authorized in previous sections, as follows:
 - Commercial Paper rated A-1/P-1 by Standard & Poor's and Moody's;
 - Commercial Paper backed by bank letters of credit where the long term letter of credit rating is rated at least double A by one rating service;
 - Corporate Notes with a minimum rating of A by one rating service.
 - Mutual funds that satisfy the above requirements. To the extent possible, funds should not be invested in proprietary funds offered by the consultant (except money market funds).

Maturity

The Contingency Reserve Fund shall have a weighted average maturity of three years or less. In the case of securities whose coupon resets on a periodic basis or there are "average life" considerations (such as in Agency Mortgage Backed securities), the length of the reset period or the expected average life shall be used to determine compliance with this investment policy's maturity guidelines.

Diversification

No more than 10% at cost of the Contingency Reserve Fund may be in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements collateralized by obligations of the U.S. Government, its agencies and instrumentalities, and federally insured certificates of deposit.

AAOA Foundation's "Long-Term Fund" Purpose

The purpose of the Long-Term Fund is to provide financial stability to support the mission and to secure the long-term funding for the operations of AAOA Foundation., especially in times of economic or organizational distress.

Investment Objectives

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Additionally, the Long-Term Fund performance will be measured in a three dimensional way. The following are the performance goals measured over a complete market cycle (5 years):

4. Achieve a rate of return, net of fees which meets or exceeds, the blended benchmark (comprised of the weighted average return of the applicable indices)
5. Achieve a risk-adjusted return, net of fees, greater than the blended benchmark.
6. Achieve a higher compounded dollar-value than the blended benchmark.

Investment Philosophy

AAOA Foundation recognizes that risk (i.e. the uncertainty of future events), volatility (i.e. the potential for variability of asset values) and the potential loss in purchasing power due to inflation are present to some degree with all types of investment vehicles. The assumption of a level of risk that is commensurate with AAOA Foundation's objectives is warranted in order to allow the investment portfolio the opportunity to achieve satisfactory results consistent with the objectives and characteristics of the portfolio. Objectives will be measured by results achieved over a three-year moving period.

The objective of the account is to pursue a long-term goal designed to maximize the returns without exposure to undue risk, as defined herein. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the greatest concern is long-term appreciation of the assets and consistency of total portfolio return.

Risk, Volatility and Loss

AAOA Foundation will accept the portfolio exhibiting volatility characteristics that approximate the volatility of the blended benchmark. Nonetheless, it is AAOA Foundation's preference that the maximum losses incurred by the portfolio in any one year not exceed that of the comparative index. The Investment Manager should take actions to minimize losses.

Asset Allocation

It is understood that due to market movements and due to Tactical adjustments (**as listed in Addendum A at the end of this policy**) the asset allocation at any given time will vary from the policy allocation. It will therefore be necessary to periodically rebalance the portfolio to the policy asset allocation. As a result of the asset allocation analysis, establishing and maintaining the following asset mix would best serve the objectives of the Long-Term Fund:

<u>Asset Category:</u>	<u>Policy Range</u>
Cash	0-20%
Equities	30-60%
Fixed Income	40-70%
Alternative Investments	0-20%

* **Note:** For the first 18-24 months after changing Investment Consultant(s) or during drastic economic periods, portfolio allocations may be gradually brought to target allocations as listed above. Therefore, allocations for any asset class may deviate significantly from the target and the range during such periods – such situations will not be considered a violation of this investment policy statement.

Re-balancing Procedures and Additions to the Contingency Reserve Fund

The ranges set forth above are intended to act as thresholds that should be reviewed quarterly by AAOA Foundation after receipt of quarterly investment reports from the Investment Consultant(s). The Investment Consultant(s) will regularly monitor the portfolio for any variations from target allocations, as specified in Addendum A. The following discipline will be followed for rebalancing:

3. If the actual allocation in any of the four major asset classes (Equities, Fixed Income, Alternatives and Cash) varies from the policy allocation by at least 5% in absolute value (for example, if 35% in fixed income was to go down to 30% or go up to 40% of total portfolio value), it will call for rebalancing of the portfolio back to the policy allocation. The Investment Consultant(s) will provide information regarding such variations as quickly as is practically feasible to the Treasurer and Executive Director and obtain verbal authorization to implement the necessary rebalancing of the portfolio to the policy allocation.
4. Once the initial transition into the policy asset allocation is complete, the portfolio will be evaluated at the end of every calendar quarter and any variations of 5% or greater will generate a rebalancing recommendation. The approval process detailed above will apply.

If possible, new cash flows should be used for rebalancing. If new cash is not available, current investments should be bought and sold to achieve the target asset allocation.

Especially during periods of excess market return over the annual 6% target, the Finance Committee reserves the

right to transfer funds up to the amount of excess return over annual target into the Contingency Reserve Fund. During market periods when the portfolio has not achieved its annual 6% target return, such transfers from the Long-Term Fund into the Contingency Reserve Fund are permitted only with Board approval.

Diversification, Marketability, Yield and Quality Consideration

Seeking to establish a diversified program of investments, Fund assets shall be invested under the management of one or more registered investment advisors, variable and/or fixed annuities, mutual funds, alternative investments (with limits, as discussed under the section “Alternative Investments” below) and/or Index-Linked Exchange Traded Funds (ETF) or Unit Investment Trusts (UITs) in portfolios of Domestic (U.S.) Equities, Domestic Fixed Income and International Equities. Investment vehicles and amounts allocated to each vehicle may change after a thorough review of the capital markets.

The types of stocks and market capitalization of the companies purchased for the portfolio are within the discretion of the investment manager. The manager is expressly permitted to invest in small, medium and large capitalization stocks.

Equity Portfolio

- Equity holding in any one company in each investment advisor's portfolio may not exceed 7.5% of portfolio at cost or 10% of account value (except in mutual funds or other pooled investments).
- Equity holding in non-U.S. investments may not exceed 30% of the market value of the portfolio.
- Equity securities shall in general possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis.

Fixed Income Portfolio

- Investments in bonds should be actively managed. Active management is meant to include shifting sector emphasis as well as affecting other prudent strategies that enhance the portfolio or decrease the volatility or exposure to capital depreciation. However, the weighted average maturity of the portfolio must be 10 years or less.
- The diversification of fixed income securities by maturity, sector, and geography is the responsibility of the Investment Consultant.
- Individual Fixed Income securities shall be invested in marketable, fixed income securities of intermediate-term maturity with a rating of no less than “BBB”, or investment grade, as rated by Standard and Poors or Moody's. The average rating of the fixed income portfolio as a whole, however, should not be below “A” as rated by Standard and Poors or Moody's.
- The following instruments are acceptable:
 - a. Commercial Paper or Variable Rate Notes of P-1 or equivalent rating.
 - b. Certificates of Deposit and Bankers Acceptances (A-rated or above)
 - c. United States Treasury Bonds, Notes and Bills.
 - d. Repurchase agreements with U.S. Treasury Securities and agencies of the U.S. Government as collateral.
 - i. Debt instruments of the U.S. Government or its agencies.
 - j. Fixed annuities with underlying fixed income instruments.
 - k. Corporate debt issues with an investment grade rating from a major bond-rating agency such as Moody's or Standard and Poors (BBB-rated or higher).
 - l. Convertible, High Yield, and International Bond Mutual Funds
- Bonds that are split rated will, for the purposes of this portfolio, be considered investment grade and thus eligible for purchase. Split rated bonds are defined as bonds that have an investment grade rating with Standard & Poors and a non- investment grade rating with Moody's or vice versa.
- The portfolio's fixed income exposure to any specific industry group may not exceed 20% of the market value of the total portfolio.
- Fixed Income holding of a single issuer may not exceed 10% of the market value of the total portfolio.

- The portfolio diversification requirements do not pertain to investments in debt securities issued by the United States Government or its fully guaranteed agencies.

Alternative Investments Portfolio

- A range of alternative investments may be considered prudent to be included in the overall asset allocation with the objective of creating favorable risk-reward characteristics for the overall portfolio. These alternative investments may include Private Equity, Managed Futures (Limited Partnerships), Hedge Funds or Hedge Replication Strategies, Inflation- Indexed Securities, Hedged Portfolios using Put and Call Options, Real Assets/Natural Resources, Real Estate Trust and Commodities.
- The target allocation for such diversified alternative investments may range from 0%-20% of the total market value of the portfolio. However, no more than 10% of the alternative investments may be invested in any one sub-category such as Hedge Fund of Funds, TIPS, Private Equity, etc. This allocation is limited due to the high risk, long-term, illiquid nature of such commitments.
- AAOA Foundation. recognizes that while such alternative investments may carry a higher degree of risk if considered on their own, they may potentially reduce total portfolio risk and enhance total portfolio return since they may be uncorrelated to other asset classes in the portfolio mix.

Cash Equivalents Portfolio

- It is desirable that the Investment Manager use interest-bearing money market funds and other cash equivalent securities with a maturity of 1 year or less. AAOA Foundation understands that at certain times attractive opportunities might arise with securities with longer maturities. The manager is permitted to invest in such securities.

Prohibited Transactions (except if executed in Alternative Investments).

- Purchase of securities on margin, options of all types, letter stock, private placements, securities whose issuers have filed a petition for bankruptcy, short sales, tax exempt securities, and warrants are prohibited, unless purchased as part of the "alternative investment" allocation or if purchased by a mutual fund for the purpose of hedging or risk reduction.
- The manager shall not purchase assets other than those mentioned as being appropriate in this statement, without the written consent of AAOA Foundation.

Fund Performance Benchmarks

Investment Managers will be evaluated, over a three to five year period, against their respective benchmarks and peer groups. For example, a Large Cap Value manager will be compared against the Russell 1000 Value and the PSN or Morningstar Large Cap Value Universes.

For purposes of performance evaluation against the relevant benchmarks, calculation of current asset allocation percentages and for rebalancing decisions, each Investment Manager will be considered fully invested at all times during the performance measurement period regardless of the level of cash in each portfolio.

Review and Reporting

AAOA Foundation's Finance Committee will review on a quarterly basis written evaluations of performance against the investment policies and benchmarks set forth above. The Committee will also review annual performance - the annual evaluation shall include the following:

A report of performance for each money manager for the past periods including the Last Quarter, Last 12 Months, Three Years and Since Inception – both absolute and relative to appropriate indices. Returns shall be annualized and calculated on a time-weighted basis for the total portfolio. All returns should include income and dividends.

Managers are expected to outperform their respective benchmark on a rolling 3-5 year period. Each manager's performance will be evaluated by the Finance Committee annually and by the Investment Consultant quarterly.

The Investment Consultant(s) will provide a quarterly performance summary and a detailed annual evaluation of the Contingency Reserve Fund and the Long-Term Fund to the Treasurer and Executive Director. The Treasurer and Executive Director will ensure that the quarterly and annual reports are provided to the Finance Committee.

The Finance Committee shall meet with the Investment Consultant at least annually or as requested to review Fund investments and the current investment environment. At meetings, the written and oral presentations shall cover the following:

1. The quarterly report described above.
2. A review of the financial markets and economies that may affect the portfolio's performance.
3. Discussion of the rationale for performance results by relating them specifically to investment strategy and tactical decisions implemented during the current review period.
4. Discussion of the manager's specific strategy for the portfolio over the next period with specific reference to asset allocation and portfolio characteristics, as appropriate.
5. Supporting discussion of the next period's strategy with reference to manager's capital market and economic assumptions, as appropriate.
6. Discussion of AAOA Foundation's needs, goals and objectives, if different from previous quarter.

ADDENDUM A – POLICY ASSET ALLOCATION			
	Asset Class	Policy Allocation	Rebalancing Bands
Equities		55.0%	+/- 5.0%
	Large Cap Value	5.0%	
	Core Equity	10.0%	
	Large Cap Growth	5.0%	
	All Cap Growth	15.0%	
	International (Developed)	9.0%	
	Emerging Markets	3.0%	
	Global Demographics*	5.0%	
	High Income Strategies - Equity**	3.0%	
Fixed Income		41.0%	+/- 5.0%
	Investment Grade	40.0%	
	High Yield**	1.0%	
	International	0.0%	
	Convertibles	0.0%	
Alternative Investments		4.0%	+/- 5.0%
	Managed Futures	0.0%	
	Hedge Fund of Funds	0.0%	
	TIPS/Commodities	0.0%	
	Natural Resources	3.0%	
	Real Estate/REIT's**	1.0%	
Cash		0.0%	+/- 5.0%
TOTAL		100.0%	100.0%

* Global Demographics include investments in Infrastructure, Agriculture, Water, and Clean Energy

** High Income Strategies include the following investments:

- Equities: Preferred Stocks, Utilities, and Master Limited Partnerships (MLPs)
- Fixed Income: High Yield Bonds
- Alternatives: REITs



ADDENDUM B – DECISION PROCESS SUMMARY

Decision/Task	Responsibility/ Authority	Frequency
Investment Policy Statement: Develop, review, and recommend for approval to	AAOA Foundation. Finance Committee	After initial design and approval, review end of each year
Authorize the movement of funds between the Long-Term Fund and the Contingency Reserve Fund	AAOA Foundation. Finance Committee – duly inform the Board of such transfer.	Annually, at the first Finance Committee meeting after the end of fiscal year
Make target asset allocation recommendations	Investment Consultant	During Investment Policy Design and then ongoing based on market trends.
Review target asset allocation recommendations and recommend to Board for approval	Treasurer and Executive Director	At time of Investment Policy Statement review and approval and then as recommended.
Investment manager(s) and other investment recommendations	Investment Consultant	Initial recommendations after Investment Policy Statement design and then ongoing
Initial Investment manager(s) and other investment recommendations selection	AAOA Foundation. Board	Initially after first recommendations by Institutional Consultant and then as needed
Replacement and/or addition of new investment manager(s)	Foundation Treasurer and Executive Director	As recommended by Investment Consultant
Investment manager(s) due diligence	Investment Consultant	Ongoing
Monitoring portfolio for adherence to target asset allocation and making rebalancing	Investment Consultant	Ongoing and based on discipline outlined in Investment Policy and Guidelines
Approval of rebalancing recommendations	Foundation Treasurer and Executive Director	As quickly as practically feasible after receiving recommendations
Performance monitoring and reporting to AAOA Foundation. Finance Committee	Investment Consultant	Quarterly detailed performance report & review

Adopted September 2006

Reviewed/Updated: September 2011 (Finance Committee) Reviewed: January 2013

AAOA Foundation

AAOA FOUNDATION SPENDING POLICY

The Board of Directors will attempt to balance the Foundation's short-term net asset distributions with its goal to provide for distributions in perpetuity, and therefore design a spending policy that is flexible. Since expected investment returns from "riskier" portfolios are not consistent and predictable, the Board of Directors feels that shorter-term spending in dollar terms must be flexible enough to endure periods of underperformance without excessive deterioration of real principal. Therefore, the Foundation's net assets may tend toward a more "aggressive" investment strategy seeking a higher long-term investment return than would be the case if distributions from year to year were less flexible.

The Foundation will use a moving average method of determining year-to-year spending in order to smooth distributions from the aggregate portfolio. The "portfolio value" will be determined based upon a 3-year moving average of portfolio market value. This "smoothing" policy serves two purposes. First, it provides for a more consistent and predictable spending of the Foundation's net assets. Second, it allows the Foundation to design an investment strategy that is more aggressive with a higher expected return than might be the case if spending were determined by annual investment performance. With the annual determination method, there is a tendency to pay out the "excess" earnings during periods of over performance, while maintaining a certain absolute dollar floor of spending during periods of underperformance. Over the long-term, this may result in an erosion of real principal. Therefore, by smoothing the spending, the Foundation reduces the likelihood of real principal erosion due to portfolio volatility.

The Board of Directors will set spending equal to 2% of the portfolio value.

Approved 10/11

Finance & Investment Task Force Reviewed by Board Spring 2012



