

WEB POSTING OF KEY DOCUMENTS

- MANUAL OF POLICIES AND PROCEDURES
- NEW YORK STATE CHAR-500 (2010)
- IRS Form 990-N (2010/2011)

FRIENDS OF ART & DESIGN, INC. POLICIES & PROCEDURES

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PURPOSE STATEMENT

The purpose of this manual is to state concisely those policies and procedures of the organization as they have been approved by the Executive Committee of the Board and/or the voting members of the Board of Directors.

It is the intent of the Board that all officers and board members should be provided with a copy of this manual upon their nomination so that they may be able to assure its application and the compliance of the organization and board members to its principles and objectives.

IMPLEMENTATION

It is the functional responsibility of the elected officers of the organization to maintain and revise this manual as needed and to assure compliance with reporting responsibility on this to the Executive committee of the Board of Directors.

BUDGETS

PURPOSE To provide financial planning and identification of needed resources for the coming fiscal year (August 1 – July 31).

SUMMARY Each year prior to the concluding annual meeting of the Board, the Treasurer and Vice President shall prepare a draft budget of income, expenses and surplus/(deficit) for review by the Executive Committee of the Board. After any adjustments mandated by this review, the final budget proposal will be presented to the Board for approval and adoption.

The Treasurer will make a report of actual expenditures and revenues in December and April as compared to the approved budget at the regular meetings of the Executive Committee.

PROCESS After April 30th of each year, the Treasurer will make a compilation of income and expenses for the current Fiscal Year to date, and provide a comparison of these detailed numbers to the approved budget for the same period in a format similar to the example given on the next page.

In anticipation of the meeting of the Executive Committee for the month of May, the Treasurer and Vice President will draft a budget proposal for the coming fiscal year based on year-to-date results and their knowledge of spending and revenue expectations for the year to come.

Upon completion of review by the Executive Committee and incorporation of any amendments, the resultant budget proposal will be presented to the subsequent Board of Directors meeting for formal approval and adoption.

EXAMPLE

<u>Budget vs. Actual Report</u> <u>(August - April)</u>	<u>10/11</u> <u>Budget \$</u> \$103,263	<u>%</u>	<u>Year to Date</u> <u>10/11 Actual \$</u> \$103,263	<u>%</u>
Starting Cash Reserve				
<u>Receipts & Income:</u>	\$6,250	15.5%	1,350.00	6.5%
Unrestricted donations	4,500	11.1%	5,707.50	27.6%
Restricted donations	10,000	24.7%	1,875.00	9.1%
Matching challenge grant	7,250	17.9%	9,000.00	43.5%
Special appeals	500	1.2%	262.40	1.3%
Other income (interest, etc.)				
Totals	\$28,500	70.5%	\$18,195	88.0%
<u>Expenditures:</u>				
<u>Mission Activities & Costs:</u>				
Awards & Contests	5,000	12.4%	2,775.00	13.4%
Black Box Theater & Art Club	1,000	2.5%	6,800.00	32.9%
Chaperones & Field Trips	1,500	3.7%	179.25	0.9%
College Assistance (see detail)	5,000	12.4%	2,891.25	14.0%
College Room	3,000	7.4%	129.00	0.6%
Computers & Software	1,000	2.5%	0	0.0%
Emergency Student Aid	2,000	4.9%	0	0.0%
Equipment/Teacher requests	10,000	24.7%	0	0.0%
	3,000	7.4%	900	4.4%
Music Program	1,000	2.5%	0	0.0%
Student Internships & Jobs	0	0.0%	2,812	13.6%
Tutoring Program expense	0	0.0%	1,125	5.4%
Restricted expenditures (Buck & Chudnoff)	0	0.0%		
<u>Operating & Administrative Expense:</u>				
Web support	1,500	3.7%	982.50	4.8%
Ads & Public Relations	\$850	2.1%	180.00	0.9%
Meetings, Retreats & Events	1,000	2.5%	413.25	2.0%
	0	0.0%	843.75	4.1%
General operating expense	900	2.2%	637.00	3.1%
Professional fees	<u>\$36,750</u>	90.9%	<u>\$20,668</u>	100.0%
sub-Total	3,675	9.1%	0	0.0%
contingency (10%)	\$40,425	100.0%	\$20,668	100.0%
Totals	(\$11,925)	-29.5%	(\$2,473)	-12.0%
Surplus				
Ending Cash Reserve	\$91,338		\$100,790	

CODE OF ETHICS

FAD adheres to the **ePhilanthropy Code of Ethical Online Philanthropic Practices** as established by the Network for Good. The Network for Good exists to foster the effective and safe use of the Internet for philanthropic purposes. In its effort to promote high ethical standards in online fundraising and nonprofit marketing, and to build trust among contributors in making online transactions and contributions with the charity of their choice, this code is offered as a guide to all who share this goal. FAD contributors are also encouraged to be aware of non-internet related fundraising practices that fall outside the scope of this Code.

The Code

The Philanthropic Experience

1. Clearly and specifically display and describe the organization's identity on the organization's website;
2. Employ practices on the website that exhibit integrity, honesty, and truthfulness and seek to safeguard the public trust.

Privacy and Security (see special section)

Disclosures

1. Disclose the identity of the organization or provider processing an online transaction;
2. Guarantee that the name, logo and likeness of all parties to an online transaction belong to the party and will not be used without express permission;
3. Maintain all appropriate governmental and regulatory designations or certifications;
4. Provide both online and offline contact information.

Transactions

1. Ensure contributions are used to support the activities of the organization to which they were donated;
2. Ensure that legal control of contributions or proceeds from online transactions are transferred directly to the charity or expedited in the fastest possible way;
3. Companies providing online services to charities will provide clear and full communication with the charity on all aspects of donor transactions, including the accurate and timely transmission of data related to online transactions;
4. Stay informed regarding the best methods to ensure the ethical, secure and private nature of online ePhilanthropy transactions;
5. Adhere to the spirit as well as the letter of all applicable laws and regulations, including, but not limited to, charity solicitation and tax laws;
6. Ensure that all services, recognition and other transactions promised on a website, in consideration of gift or transaction, will be fulfilled on a timely basis.

CONFLICT OF INTEREST

Article 3.8 of the By-Laws of FAD defines the policy on conflicts of interest and the manner of acting if and when such conflicts may arise. Additionally, each Board Member is required to acknowledge this policy and disclose other active affiliations with entities which might contravene participation in FAD decisions which the member wishes to have reviewed.

FRIENDS OF ART & DESIGN, INC.

CONFLICT OF INTEREST DISCLOSURE STATEMENT

In keeping with the Conflict of Interest policy of Friends of Art & Design, Inc. as set out above, I

do hereby attest to the following:

(1) I have read and understand the Conflict of Interest policy, and

(2) Neither I nor to my knowledge any member of my family has in the past, is presently, or plans to engage in any activity that contravenes said policy, except as specifically noted below:

Note: Please describe fully any activity that you believe may contravene the FAD Conflict of Interest Policy and which you wish to have reviewed. Attach additional pages if necessary.

DISCLOSURE & TRANSPARENCY

FAD by-laws as currently amended are posted on our web site at;

<http://www.fadnyc.org/images/Bylaws.pdf>

Governance and administration are further effected through policies and procedures covered in this Manual of Policies & Procedures. FAD complies with all known requirements for charitable, not-for-profit organizations issued by the United States government and by the State and City of New York. Our Federal Employer Identification Number is 13-3798678. Our public filings are accessible through our web pages.

- U S Internal Revenue Service Form 990
- New York State Annual Filing for Charitable Organizations Form CHAR500

The FAD Annual Report is published after the conclusion of each fiscal year (August 31 – July 1) and is available on our web site <http://www.fadnyc.org/images/AnnualReport2011.pdf>

Minutes of all Board Meetings and all meetings of the Executive Committee are available to interested donors and foundations by contacting the recording secretary.
recording secretary.

ORGANIZATIONAL EFFECTIVENESS

Once per year, after adoption of the annual budget, the executive committee of the board will make an assessment of the FAD's organizational effectiveness over the past year measured against its mission statement and compliance with the policy headings of this manual, and present a summary for discussion and agreement at next convenient meeting of the full board of directors. All dissenting opinions and any suggestions for change and/or improvement will be added to the assessment for action and implementation by the appropriate officers and committee chairs.

PRIVACY

- FAD honors its supporters each year by placing their names in our Annual Report.
- FAD does not share or rent out its list of supporters but is required by law to report various details of our ongoing support to various federal, state and local authorities. Donors who wish to remain anonymous should so indicate when making their contribution. In all cases, a written acknowledgement of contributions will be sent within normal administrative time limits.
- FAD will conduct online transactions through a system that employs high-level security technology to protect the donor's personal information for both internal and external authorized use;
- FAD will provide either an 'opt in' and 'opt out' mechanism to prevent unsolicited communications or solicitations by organizations that obtain email addresses directly from the donor.
- FAD will protect the interests and privacy of individuals interacting with their website;
- FAD will provide a clear, prominent and easily accessible privacy policy on its website telling visitors, at a minimum, what information is being collected, how it is being collected, how it can be updated or removed, how this information will be used and who has access to the data.

NEW YORK STATE CHAR-500 (2010)

(2 pages)

Form CHAR500 <small>This form used for Article 7-A, EPTL and dual filers (replaces forms CHAR-497, CHAR 010 and CHAR 006)</small>	Annual Filing for Charitable Organizations New York State Department of Law (Office of the Attorney General) Charities Bureau - Registration Section 120 Broadway New York, NY 10271 http://www.charitiesnys.com	2010 Open to Public Inspection
1. General Information		
a. For the fiscal year beginning (mm/dd/yyyy) <u>08/01/2010</u> and ending (mm/dd/yyyy) <u>07/31/2011</u>		
b. Check if applicable for NYS: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial filing <input type="checkbox"/> Final filing <input type="checkbox"/> Amended filing <input type="checkbox"/> NY registration pending	c. Name of organization FRIENDS OF ART AND DESIGN, INC Number and street (or P.O. box if mail not delivered to street address) Room/suite C/O FRED COHEN 211 MADISON AVENU City or town, state or country and ZIP + 4 NEW YORK, NY 10016	d. Fed. employer ID no. (EIN) 13-3798678 e. NY State registration no. 07-09-14 f. Telephone number 212 410-7432 g. Email

2. Certification - Two Signatures Required

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

a. President or Authorized Officer:	Signature _____ Printed Name FREDERIC COHEN Title TREASURER Date _____	
b. Chief Financial Officer or Treas.	Signature _____ Printed Name _____ Title _____ Date _____	

3. Annual Report Exemption Information

a. Article 7-A annual report exemption (Article 7-A registrants and dual registrants)
 Check if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.

NOTE: An organization may claim this exemption if no PFR or FRC was used and either: 1) it received an allocation from a federated fund, United Way or incorporated community appeal and contributions from other sources did not exceed \$25,000 or 2) it received all or substantially all of its contributions from one government agency to which it submitted an annual report similar to that required by Article 7-A.

b. EPTL annual report exemption (EPTL registrants and dual registrants)
 Check if gross receipts did not exceed \$25,000 and assets (market value) did not exceed \$25,000 at any time during this fiscal year.

For EPTL or Article 7-A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above.
 Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.

4. Article 7-A Schedules

If you did not check the Article 7-A annual report exemption above, complete the following for this fiscal year:

a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? ... Yes* No
 * If "Yes", complete Schedule 4a.

b. Did the organization receive government contributions (grants)? Yes* No
 * If "Yes", complete Schedule 4b.

5. Fee Submitted: See last page for summary of fee requirements.

Indicate the filing fee(s) you are submitting along with this form:

a. Article 7-A filing fee	\$ <u>10.</u>	Submit only one check or money order for the total fee, payable to "NYS Department of Law"
b. EPTL filing fee	\$ <u>25.</u>	
c. Total fee	\$ <u>35.</u>	

6. Attachments: For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments.

5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

Organization's Registration Type	Fee Instructions
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- | | |
|---------------|---|
| • Article 7-A | Calculate the Article 7-A filing fee using the table in part a below. The EPTL filing fee is \$0. |
| • EPTL | Calculate the EPTL filing fee using the table in part b below. The Article 7-A filing fee is \$0. |
| • Dual | Calculate both the Article 7-A and EPTL filing fees using the tables in parts a and b below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a <u>single</u> check or money order for the total fee. |

a) Article 7-A filing fee

Total Support & Revenue	Article 7-A Fee
more than \$250,000	\$25
up to \$250,000 *	\$10

* Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of \$25, regardless of total support and revenue.

b) EPTL filing fee

Net Worth at End of Year	EPTL Fee
Less than \$50,000	\$25
\$50,000 or more, but less than \$250,000	\$50
\$250,000 or more, but less than \$1,000,000	\$100
\$1,000,000 or more, but less than \$10,000,000	\$250
\$10,000,000 or more, but less than \$50,000,000	\$750
\$50,000,000 or more	\$1500

6. Attachments - Document Attachment Check-List

Check the boxes for the documents you are attaching.

For All Filers

Filing Fee

Single check or money order payable to "NYS Department of Law"

Copies of Internal Revenue Service Forms

IRS Form 990

All required schedules (including Schedule B)

IRS Form 990-T

IRS Form 990-EZ

All required schedules (including Schedule B)

IRS Form 990-T

IRS Form 990-PF

All required schedules (including Schedule B)

IRS Form 990-T

Additional Article 7-A Document Attachment Requirement

Independent Accountant's Report

Audit Report (total support & revenue more than \$250,000)

Review Report (total support & revenue \$100,001 to \$250,000)

No Accountant's Report Required (total support & revenue not more than \$100,000)

COPY

Form 990-N (e-Postcard) Summary
(THIS IS NOT A FILEABLE FORM - FOR REVIEW PURPOSES ONLY**)**

Tax period beginning 08/01/2010 and ending 07/31/2011

Organization's legal name
FRIENDS OF ART AND DESIGN, INC

Employer ID number
13-3798678

Other names used by organization (DBA)

Number and street (or P.O. box, if applicable) Room/Suite Telephone number
C/O FRED COHEN 211 MADISON AVENUE 212-213-0003

City or town, state or country and ZIP + 4
NEW YORK, NY 10016

Web address, if applicable WWW.FADNYC.ORG

Check if organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$50,000
Check if organization is terminating (going out of business)

Information regarding principal officer:

Name
FREDERIC COHEN

Street address
211 MADISON AVENUE

City, state or country and ZIP + 4
NEW YORK, NY 10016