

National Processed Raspberry Council Policies and Procedures Manual

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Introduction

This Manual is intended to help acquaint new members to the National Processed Raspberry Council (Council) with the policies, procedures and governance structure of the Council.

All material and information included within this Manual is intended for the reference of Council Members, Alternates, and its Staff. No individual has the authority to enter into any agreement that modifies the Council's policies.

The information within this Manual is deemed to be accurate and current. However, the Council, at its sole discretion, reserves the right to add to, modify, or delete provisions of this Manual, or the policies and procedures on which they may be based by majority vote of the Council and, with the approval of the U.S. Department of Agriculture (USDA). Consult with the Executive Director to obtain current information regarding the status of any particular policy, procedure, or practice.

MISSION STATEMENT

The National Processed Raspberry Council will invest in research on the health and wellness benefits of raspberry consumption and communicate the advantages of raspberries to consumers, food manufacturers and foodservice decision makers in order to build demand and secure the long-term viability of the industry.

HISTORY

In 2005, The Washington Red Raspberry Commission determined that it would be advantageous for all parties to unite domestic and international raspberry growers to concentrate on expanding North American markets for all processed raspberries. Limited budgets had been the main deterrent to telling raspberry's great wellness and taste stories. After considering different alternatives, the Commission determined that a Research and Promotion Program organized under the Commodity Promotion, Research, and Information Act of 1996 was the appropriate vehicle to provide funds necessary to conduct nutrition research and to craft a strong message based on research results that demonstrate the wellness attributes of processed red raspberries.

Accordingly, a proposed R&P Program for processed raspberries was submitted for consideration by USDA. Numerous discussions between Washington's raspberry growers and raspberry growers in Oregon, British Columbia, and Chile took place to share information about this R&P Program proposal among all suppliers of processed raspberries in the United States. With an overwhelming indication of support throughout these discussions, the industry pressed for a referendum and created a processed raspberry R&P Program.

GOVERNANCE

Orientation for New Council Members

Every 2 out of 3 years Council members and alternates will rotate off the Council, to be replaced by new members. Here are several points for consideration by new and continuing Council members.

1. Legal obligations of nonprofit corporate Members and Alternates. The Council functions under the authority of the United States Department of Agriculture (USDA), the Commodity Promotion, Research, and Information Act of 1996 (Act), and the Processed Raspberry Promotion, Research, and Information Order, CFR 7, Part 1208 (Order).

2. Duty of care. Members and Alternates agreeing to serve on the Council carry an obligation to take Council matters seriously and to devote time to consideration of issues facing the Council. This is defined as the care that an ordinarily prudent person would exercise in a like position under similar

circumstances. Members and Alternates may not rubber stamp the proposals of the Council's officers or staff without running the risk of breaching their fiduciary duty of care to the Council.

3. Duty of loyalty. Members and Alternates are required to make decisions based on what is best for the Council, not what may be advantageous to their company or even to their constituency within the Council, i.e., domestic versus foreign growers, growers versus processors versus importers.

Once the Council makes a decision, each member or alternate, even those who may have opposed the course of action chosen by the Council, must act consistently with that decision. Disagreement is permitted, but members should support the Council decisions.

Members or alternates are prohibited from appropriating for themselves or their companies opportunities that could be taken advantage of by the Council. Members or alternates seeing such a business opportunity (perhaps an Internet presence that could serve as a source of non-dues revenue for the Council) must first bring that opportunity to the Council for consideration; only after the Council has considered and rejected such an opportunity may the member or alternate take advantage of it.

4. Conflict of interest. Council members or alternates must avoid actual and even the appearance of conflicts of interest when making decisions at the Council level. Members or alternates having a personal or business interest in a matter under Council consideration must disclose that interest to the Council and recuse themselves from discussing or voting on such matters.

5. Duty to preserve confidential information. Members or Alternates must not disclose to others information that the Council has determined to be confidential, such as communication between the Council or senior staff and legal counsel, and minutes of executive sessions of the Council.

Except as the Council may otherwise require, no Council member or alternate shall share, copy, reproduce, transmit, divulge or otherwise disclose any confidential information related to the affairs of the Council. .

6. Avoiding personal liability. Members and Alternates will have no personal liability in connection with their Council service, provided they act in good faith. No member, alternate member, or employee of the Council shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, alternate, or employee, except for acts of dishonesty or willful misconduct.

The Council's By-Laws contain provisions indemnifying and agreeing to defend current and former officers, members, alternates, and other volunteers in the event a claim is made against them arising out of their service to the Council.

7. Understanding Council governance. The Council's By-Laws, policies and procedures, and the most recent edition of the parliamentary procedure authority referenced in the By-Laws (Robert's Rules of Order), are the internal sources of the rules that will govern the operation of the Council. It is the responsibility of each member and alternate of the Council to have read and understand the By-Laws of the Council, the Act, and the Order.

8. Antitrust laws. Members and alternates must understand that

- Antitrust laws prohibit agreements that unreasonably restrain competition
- Certain anticompetitive conduct is presumed to be unreasonable
- Agreements in violation of the antitrust laws can be inferred from similar conduct
- The Council can be implicated in unlawful conduct even if the agreement is not reached during a Council meeting
- The Council must heed the advice of USDA, legal counsel or the Council's staff to discontinue a particular discussion or not to engage in certain conduct

Council Roles and Responsibilities

Determine the Council's Mission and Purpose

The Council's Mission Statement articulates its goals. The Council is responsible for reviewing its Mission Statement periodically to ensure its relevance to current and anticipated future conditions. It is the responsibility of each member and alternate to understand the Mission Statement. The Mission Statement serves as a guide to organizational planning, the decision-making, and setting priorities among competing demands for scarce resources.

Select the Executive Director

After reaching consensus on the Executive Director's (ED) position description, it is the responsibility of the Council to identify and hire the most qualified individual for the position. The Council should clarify its own functions as distinct from those of the ED, including recognition of the ED's responsibility to select and supervise a management team without interference.

Support the ED; Review His or Her Performance

The ED must have the support of the Council if he or she is to further the goals of the Council. The Executive Committee, in cooperative partnership with the ED, will review his or her performance on a regular basis, reporting the results to the full Council. The primary focus of the annual review is to help the ED perform more effectively. Frequent and constructive feedback is crucial.

Ensure Effective Council Planning

The Council is responsible for the establishment of strategy and policy that ensures effective, legal, and ethical operations. Council committees will participate with staff to review the Mission Statement and how planned programs for recommendation achieve its goals. On a regular basis, staff will present progress reports to the appropriate committee. While the Council is extensively involved in the planning process, the conduct, coordination, and implementation of the plan is the responsibility of the staff.

Manage Resources Effectively

The Executive Committee will review proposed budgets for recommendation to the Council on an annual basis. Staff will bring items requiring budgetary action to the appropriate committee as needed. An important part of Council service is protecting accumulated assets and properly managing funds collected in the public trust. As part of its fiduciary responsibility, the Council is responsible for ensuring that adequate financial controls are in place to demonstrate accountability to the industry and USDA, and annual audit reports are thoroughly reviewed and questioned.

Determine, Monitor, and Strengthen the Council's Programs

Staff is charged with the tactical implementation of Council strategy. The Council's role is to determine which programs are consistent with the Council's Mission and objectives, and to monitor all program's effectiveness. A balance exists between the Council's responsibility to ensure cost effective programs and services and the staff's responsibility to creatively initiate and implement them. When needed, staff, on approval from the Council, will contract third party evaluators to determine effectiveness. As per section 1208.55 of the Order, the Council will fund an independent evaluation of the effectiveness of the Council's activities not less often than once every 5 years.

Enhance the Council's Public Standing

The Council is the primary link between the staff and the industry and trade. A clear understanding and articulation of the Council's Mission, goals, and accomplishments helps further the standing of the Council to all audiences.

Ensure Legal and Ethical Integrity

Solid personnel policies, grievance procedures, and a clear delegation to the ED of hiring and managing employees will help ensure adherence to legal standards and ethical norms. By being diligent in its responsibility, the Council protects the organization and promotes a safe and ethical work environment.

Recruit and Orient New Council Members

Current Council and committee members and alternates play a key role in the identification of potential new members, and the orientation of new members

once elected or appointed. Current members are responsible to mentor and educate their alternates to provide for an informed decision-making process in members' absence.

Assess Council Performance

On a periodic basis, the Council should assess its own performance in achieving stated goals as included in the Mission Statement, recognize its achievements, and reach consensus on areas needing improvement. Self-assessment should also identify shortcomings in Council internal processes, generate ideas for improving those processes, and create a commitment to improvement.

Member Roles and Responsibilities

General Expectations

- Know the Council's Mission, purpose, goals, policies, and programs.
- Perform the duties of Council membership responsibly and competently.
- Avoid prejudiced judgments based on information received from individuals.
- Bring good will to Council meetings.
- Maintain an awareness of the Act, Order, and By Laws, and the authority and/or accountability requirements contained within the document.
- Fulfill Council or committee assignments.

Meetings

- Prepare for Council and committee meetings by studying the agenda and supporting materials.
- Attend the entire meeting.
- Participate effectively in meetings by voicing opinion. Ask timely and substantive questions.
- Maintain confidentiality of executive sessions.
- Suggest agenda items to ensure that significant, policy related matters are addressed.
- Evaluate and follow-up on action taken at meetings.

Relationship with Staff

- Avoid asking special favors of the staff, including special requests for extensive information without prior consultation with the Executive Director.
- Counsel and support the Executive Director as appropriate.

Avoid Conflicts

- Serve the Council as a whole. Avoid any perception that you represent anything but the industry's best interests.
- Avoid even the appearance of conflicts of interest. Disclose any conflicts in a timely manner.

- Maintain objectivity and do what a sense of fairness, ethics, and personal integrity dictate.

Fiduciary Responsibility

- Exercise prudence in the control and transfer of funds.
- Read and understand the Council's financial statements to help fulfill its fiduciary responsibility.
- Review annual audit.

OFFICERS

Chair

The Chair is elected by the Council and is responsible for chairing Council meetings. The Chair exercises personal leadership in motivating other officers, Council members, committee chairs, committee members, and the general membership. The Chair oversees the establishment of goals and objectives for the Council. The Chair works in close partnership with the Executive Director for the achievement of established goals and objectives. Specific duties are included and described in the By-Laws.

Vice-Chair

The Vice-Chair is a key member of the Chair's team and assists the Chair in performance of his/her duties. The Vice-Chair carries out the duties of the Chair in the latter's absence. Specific duties of the Vice-Chair are included and described in the By-Laws.

Treasurer

The Treasurer is a key member of the Chair's team. The Treasurer works closely with Council members and the Executive Director to ensure the integrity of the fiscal affairs of the Council. Specific duties of the Treasurer are included and described in the By-Laws.

Secretary

The Secretary is a key member of the Chair's team. As the official record-keeper for the Council, the Secretary is responsible for the minutes of Council. Specific duties of the Secretary are included and described in the By-Laws.

EMPLOYMENT OF STAFF AND OTHERS

An Executive Director may be employed by the Council at such a rate of compensation as the Council deems fair and proper.

The Executive Director shall carry out the duties and responsibilities contained in a job description approved by the Council, as well as any additional assignments

made by the Council and/or Chair of the Council. The Executive Director shall report to the Chair for direction in carrying out the responsibilities of his/her office.

The Executive Director shall direct, and be responsible for, the activities of all other full and/or part-time staff members and/or contractors of the Council. The number and compensation of such additional staff members shall be subject to the approval of the Council.

The Council may from time to time employ consultants, legal counsel, certified public accountants and other outside professionals to carry out specific assignments related to the activities of the Council. The Council shall approve employment of any outside professionals, including the terms of the contract, remuneration, and level of responsibility.

The Council may enter into contracts with other individuals or organizations for the performance of other specific tasks or functions related to the activities of the Council. The Chair and Executive Director shall each be empowered to sign any such contracts which are within the scope of programs and budgets approved by the Council. If such contracts are outside the scope of approved programs and budgets, they shall be submitted to the Council for approval, and approved by USDA/AMS through a budget amendment prior to being signed by the Chair or Executive Director.

COMMITTEES

The Council shall establish committees as deemed necessary for the carrying out of the purposes and objectives of the Council. The Council Chair is authorized to appoint Committee chairs. The Committee Chair may also appoint from the public or industry in general, persons to serve on Council committees.

Committees shall include, but not be limited to: Marketing, Research, Executive, and Special. A full description of each Committee's responsibilities can be found in the By-Laws.

AUTHORITY AND ACCOUNTABILITY

Finances

The fiscal year of the Council shall commence on the first day of October and terminate on the last day of September of the following year.

The Council of Directors shall adopt a budget for each fiscal year, and the Council shall function within the total of such budget.

Assessments and other monies collected by the Council shall be placed in a depository selected by the Council. Payments from the funds of the Council shall be made on the signature of any two (2) of the following: (i) the Executive

Director and a Member of the Executive Committee; or (ii) in the absence of the Executive Director, any two (2) Members of the Executive Committee.

The Treasurer, other officers and members of the staff handling the funds of this Council shall be required to furnish a bond at the expense of the Council.

There shall be an annual review of the finances of the Council by an independent Certified Public Accountant and this, together with a report from the Treasurer, shall be submitted and presented to the Council and USDA.

Robert's Rules of Order

Roberts Rules of Order, and the Order, shall govern the procedures of all meetings of this Council.

Policies

Equal Employment Opportunity Policy

The National Processed Raspberry Council's policy is to provide equal employment opportunity for all applicants and employees based on job-related qualifications and their ability to perform. The Council does not unlawfully discriminate on the basis of a person's race, color, sex, age, religion, national origin, disability, protected genetic information, sexual orientation, marital, familial or parental status, political beliefs, or medical condition. The Council also makes reasonable accommodations for disabled employees. Finally, the Council prohibits the harassment of any individual on any of the bases listed above. This policy applies to all areas of employment including recruiting, hiring, training, promotion, compensation, benefits, and social and recreational programs.

Sexual Harassment Policy

The National Processed Raspberry Council is dedicated to providing a high level of service to its members and to the public with whom it works. In achieving this goal, the Council as an employer wishes to promote the health, well-being and mutual respect of all its employees and members involved in Council functions.

Sexual harassment is detrimental to working in a positive and healthy environment. The Council strives for a work environment that promotes employee and member safety and dignity, and that is free from the affronts of sexual harassment.

Sexual harassment is prohibited by State and Federal law, and by this statement of Council policy. It applies in the work place or at any event sponsored by the Council.

Definition

Sexual harassment occurs when unwelcome verbal or written communication or physical conduct is of a sexual nature or is gender-based, that is, directed at a person because of his/her gender. Sexual harassment includes:

- Sexual gestures, comments, innuendos, or jokes
- Unwelcome invitations to sexual activity
- Unwelcome touches, pinches, hugs
- Pressure to engage in sexual activity as a condition of employment or promotion
- Sexual assault

Sexual harassment occurs when such conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

No employee or member shall be retaliated against in any way for bringing a potential incident of sexual harassment to the attention of the appropriate party, to include, but not be limited to the Executive Director, Council Chair, or USDA/AMS.

Confidentiality Policy

Members and alternates of the Council have a fiduciary duty of care, including a duty of confidentiality. In connection with Council service, members and alternates may be given or have access to confidential information of the Council or third parties. Confidential Information is all information that the Council considers to be confidential, or proprietary information of the Council or third party sources. Members and alternates will not disclose or permit to be disclosed any Confidential Information, and will not appropriate, photocopy, reproduce, or in any fashion replicate any Confidential Information without the prior written consent of the Council Chair or Executive Director. Disclosure of Confidential Information in violation of this policy can cause immediate and substantial damage to the Council and to any parties that provided the Confidential Information to the Council. Members and alternates will use reasonable efforts to maintain the confidentiality of the Confidential Information, and agree to not use any Confidential Information for your personal benefit unless authorized in advance in writing by the Council Chair. Information about individuals or companies is never to be shared with Council members and should be kept confidential as required in the Order.

Conflict of Interest Policy

Members and alternates must act at all times in the best interests of the Council and not for personal or third-party gain or financial enrichment. When encountering potential conflicts of interest, Council members and alternates are required to identify the potential conflict and, if directed, remove themselves from all discussion and voting on the matter. Specifically, members of the Council will:

- Avoid placing (and avoid the appearance of placing) one's own self-interest or any third-party interest above that of Council.
- Not abuse their Council membership by improperly using their Council membership or staff, services, equipment, materials, resources, or property for personal or third-party gain or pleasure, and shall not represent to third parties that their authority as a Council member or alternate extends any further than that which it actually extends.
- Not engage in or facilitate any discriminatory or harassing behavior directed toward Council staff, members, officers, meeting attendees, exhibitors, advertisers, sponsors, suppliers, contractors, or others in the context of activities relating to the Council.
- Not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donor related to Council business.
- Not provide goods or services to the Council as a paid vendor without full disclosure to, and advance approval by, the Council and USDA, and pursuant to any related procedures adopted by the Council.

Cash Management Procedures and Investment Policy

Effective cash management and investment practices are recognized as essential to good fiscal management. This policy is intended to provide formal rules and guidelines for the prudent cash management and investment of funds.

The National Processed Raspberry Council (Council) has the authority to invest funds collected through assessments authorized under the Processed Raspberry Promotion, Research, and Information Order (hereinafter referred to as the "Order").

DELEGATION OF AUTHORITY

The Executive Committee shall establish, revise and recommend as necessary to the Council appropriate cash management and investment policies, procedures, objectives, and strategies with approval from USDA. It will review the implementation of the policies and monitor the achievement of financial and investment objectives, in compliance with the Act, Order, AMS Guidelines, and the By Laws.

The Council may enter into contracts for administrative services, as may be required to conduct its business as approved by the Council. The Executive Director is charged with providing administrative services to the Council which includes but is not limited to managing all financial and administrative affairs and implementing and administering the Cash Management Procedures & Investment Policy. The Executive Director will act as an agent for the Council in

all investment and financial matters (i.e. opening bank accounts; withdrawing, transferring or investing funds; paying bills; receiving and depositing funds; acquiring loans; opening letters-of-credit; etc.) and will serve as dispenser of funds for the Council at the Council's direction. The Executive Director serves as the primary contact with bankers, brokers, money managers, custodians, and consultants.

PERFORMANCE STANDARDS

The Cash Management Procedures & Investment Policy shall be designed with the objective of receiving a reasonable rate of return on investments consistent with risk limitations identified in this policy and prudent investment principles and AMS Guidelines.

FINANCIAL MANAGEMENT PROCEDURES

In order to comply with the Cash Management Procedures & Investment Policy of the Council, the following procedures are to be followed:

1. Exercise prudent cash management of funds collected by the Council. Funds include, but are not limited to: fees for services; assessments collected from producers and importers; and interest income.
2. Maintain all funds, belonging to or in custody of the Council, in risk-free (fully insured or collateralized with Federal Government securities) and short-term (one year or less) accounts.
3. Invest, pending disbursement under a program, plan, or project, funds collected through assessments authorized under the Order only in:
 - a. Obligations of the United States (U.S.) or any agency of the U.S.
 - b. General obligations of any State or any political subdivision of a State
 - c. Any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System
 - d. Obligations fully guaranteed as to principal and interest by the United States, except that income from any such invested funds may be used only for a purpose for which the invested funds may be used.
4. Funds needed for immediate operating use shall be maintained in a checking account that meets the above requirements.
5. Funds not needed for immediate use may be moved from the checking account to an approved investment instrument whenever:
 - a. The incremental return justifies the transfer, or
 - b. The account balance exceeds \$250,000
6. All disbursements greater than \$1,000 will require two signatures. The Council shall decide who has account authority.

INVESTMENT POLICY

The primary objective of investment activities shall be: (1) Safety of Principal (Risk Free), (2) Liquidity (Short-term), and (3) Yield (Interest Bearing).

- Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk (the risk of loss due to failure of the financial institution, broker/dealer default, or erosion of market value) and interest rate risk (the risk that the market value of securities in the portfolio will fall due to changes in general interest rates).
- Liquidity of the portfolio shall remain sufficient to meet all operating and capital requirements that may be reasonably anticipated.
- Yield or rate of return shall be designed with the objective of attaining a reasonable rate of return throughout budgetary and economic cycles.

Prudent Person Standard

All participants in the investment process shall seek to act responsibly and professionally as custodians of the industry's trust. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes, considering first the safety of their capital, then the probable income to be derived.

Ethics and Conflict of Interest

Participants involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Safekeeping

All investments shall have the Council as the registered owner and all interest and principal payments and withdrawals shall indicate the Council as the payee. All investments shall be kept safe with the Council itself or with a qualified financial institution. A formal agreement or Memorandum of Understanding shall be signed between the Council and the financial institution before funds are deposited with the financial institution. Certificates of Deposits, or a copy thereof, will be delivered to and held by the Council. Whenever possible, settlements will be made electronically.

Security of Funds

Council funds deposited in a financial institution covered by the Federal Deposit Insurance Corporation (FDIC) must be secured at all times. Funds are considered sufficiently safe if the total amount of deposits in a single financial institution is less than the recognized FDIC deposit insurance limit of \$250,000, including both principal and interest; and/or the Council ensures that the financial institution pledges acceptable collateral prior to making a deposit that exceeds the recognized deposit insurance limit of \$250,000.

Funds that are not needed for immediate operating use may be invested in instruments that are interest-bearing, short-term (one year or less), and risk-free. Risk-free requires that:

1. All accounts must be federally insured or collateralized with Federal Government securities. In the absence of collateral, accounts must be established at financial institutions that are insured by FDIC insurance or other recognized insurers approved by the Department of the Treasury (i.e. Securities Investor Protection Corporation (SIPC)). FDIC insurance coverage applies to the Council's total deposits at a single financial institution, regardless of how many accounts the Council has at that financial institution; and deposit accounts maintained by the Council are not separately insured at different branches or offices of the same insured financial institution.
2. The Council must monitor its deposits to ensure that its account balance never exceeds the recognized FDIC insurance limit of \$250,000, including both principal and interest, unless appropriate collateral security is pledged, or unless a higher balance is needed to process a payment through the Council checking account. Only those securities noted in U.S. Department of Treasury Regulations, Title 31, CFR, Part 202 (Attachment A) are acceptable. They include collateral issued, fully insured or guaranteed by U.S. Government Agencies or U.S. Government sponsored corporations. No declining balance securities, regardless of issue, are acceptable.

Investments currently **not acceptable** may include but are not limited to:

- Common and Preferred Stock
- Consumer Paper or Consumer Notes
- Foreign Currency-Denominated Securities
- Indexed Securities (except as otherwise noted)
- Mutual Funds and Insurance Funds
- Construction Loans
- Raw Loans
- Obligations that have been issued by the pledging bank or by affiliates of the pledging bank
- Obligations of foreign countries (i.e., Sovereign Debt)
- Collateralized Bond Obligations (CBO's), Collateralized Loan Obligations (CLO's), and Collateralized Mortgage-Backed Securities (CMBS) except as otherwise noted
- Real Estate Mortgage Notes
- Commercial Loans (Including real estate and agricultural loans)
- Sinking Fund Securities: Sinking Fund Securities are not acceptable except those indicated on the attached list.
- Stripped and Zero-Coupon Securities: Some of the securities listed may be offered in stripped or zero-coupon form. Securities in these forms are NOT acceptable except those where market prices are available and that are specifically listed. In addition, U.S. Government agencies securities

may also be stripped into their separate components. These securities would be acceptable, provided market prices are available.

Reporting

Complete, accurate, and timely records of all investment activities shall be maintained. A monthly report shall be prepared detailing all investments. This report will be submitted to the Executive Committee and USDA monthly and to the Council at each meeting. This report shall include the following:

- A listing of investment securities
- Amortized book value
- Purchase Date
- Maturity date
- Interest Rate/Return
- Market Value.

The report will also include a statement that the investments are in compliance with the Cash Management Procedures & Investment Policy and AMS Guidelines.

Accounting and Internal Control Policy

Monthly and Quarterly Accounting Procedures

Bank reconciliation

The original bank statements will be mailed to the NPRC for reconciliation with QuickBooks. The bank statement and reconciliation is filed at the NPRC office in a monthly hard-copy file to be used for the annual audit.

Financial reports

NPRC Administrative Services will prepare the standard reports from the QuickBooks system. These reports include: Assessments Received, Balance Sheet, and a Budget-to-Actual detailed report for the month just ended. These reports will be reviewed by the Executive Director then submitted to the NPRC Chairman and Treasurer noting any exceptional items. Reports may be printed, filed in PDF format or stored within the QuickBooks Accounting System.

Quarterly reports

Quarterly reports will be prepared for distribution to Council members and USDA. Reports will include, but not be limited to current fiscal year assessments received, Balance Sheet, and a Budget-to-Actual Summary Report for the current fiscal year. A similar report will be presented to the Council at each of its meetings through the end of the most recent completed month. On recommendation by the Executive Committee, the Council will vote to accept the report.

Annual Accounting Procedures

Annual budget

The Council will meet each year to create a program of work and accompanying budget. Once the Council has approved a budget, the NPRC will submit to USDA-AMS for review and approval the Board-approved Budget with accompanying Marketing, Research, and Budget Narratives for the new fiscal year. USDA will respond with any needed changes and/or approval within 21 days of receipt. After the budget has been approved by USDA, a summary version will be posted on the board's website for the public.

Vendor contracts or agreements

Once USDA approves the new fiscal year budget and work plan, the Executive Director will work with NPRC counsel to prepare contracts for vendors to carry out approved programs and projects. All contracts must meet USDA requirements and must be submitted to and approved by the USDA-AMS prior to final execution by all parties.

When NPRC receives approval from USDA, contracts are sent in duplicate to the vendor for vendor signature. Once the contract is fully executed, original copies with original signatures are maintained at the NPRC office and mailed to the vendor, and a PDF file copy of the contract is sent to USDA-AMS via email. An e-copy of the executed contract will also be provided to counsel.

All contracts must be approved by USDA-AMS and USDA-FAS, when applicable, and be fully executed by all parties in duplicate with appropriate signatures, before any money or invoice can be paid against the contract.

Audits

- Annual Financial Audit. Within 60 days after the end of each fiscal year, the NPRC will engage an independent audit firm to conduct a financial audit of the just-ended fiscal year. Once the firm has been identified, a contract must be fully executed. The audit firm must adhere to all the USDA-AMS audit GAGAS requirements in conducting the NPRC financial audit and the USDA must be invited to participate either in person or via phone conference in both the initial and exit interviews. Once the financial audit is complete, a written report as well as report of the findings will be presented to the Executive Committee and to USDA. Once reviewed, the audit will be presented to the full Council. This may be in person at a Board meeting or via conference call. An original copy of the final audit report as provided by the audit firm is provided to the USDA and NPRC counsel. A copy will be filed and maintained at the NPRC office. At least once every three years a review or bid process will be made to identify other possible external auditors to maintain effectiveness of the audit and to ensure competitive rates.

- Compliance audit. The NPRC is required to provide a compliance audit demonstrating that the collection of check-off funds has been audited or analyzed to determine if the collections are being paid and collected per the Order. The protocol for this audit will be reviewed and approved by USDA before proceeding each year. NPRC may contract with an outside CPA firm to conduct this audit or analysis. The results are reported to the Executive Director who then verbally reports to the Executive Committee without mention of the names of the handlers audited. Copies of the original written analysis audit report are provided to the Board, given to the USDA, NPRC's legal counsel and one is kept in NPRC files. Based on the analysis, the Board may decide to conduct field visits or audits at its discretion.
- USDA Management Audit. USDA-AMS audits the NPRC's board operations (programmatic, financial and compliance) at least once every three years. The USDA will notify the Executive Director when the audit will be conducted and the materials needed for review. USDA provides the Executive Director a report of the results and reports to the Board at the next regularly scheduled full Board meeting of any suggestions, needed changes or improvements. NPRC staff will keep all documentation current and in full compliance with all USDA guidelines and rules at all times. The office of Inspector General or USDA may request audits at any time deemed appropriate.

Cash disbursements

General

All financial transactions of the National Processed Raspberry Council are governed and handled in accordance with the Processed Raspberry Promotion, Research, and Consumer Information Order. The processes in this section involve reviewing, coding and disbursing NPRC funds in accordance with the Council's By-laws and policies and procedures, and USDA guidelines. All invoices, reimbursement payments, purchase orders, check requests, wire transfers and any other payments should be directed to the NPRC office for initiation of payment processing. All invoices must be authorized by the Executive Director or in his/her absence, a member of the Executive Committee. All payments, checks and wire transfers require two signatures: NPRC Executive Director plus one member of the Executive Committee or in his /her absence any two (2) members of the Executive Committee.

Approval for expenditures

All expenditures initiated by staff are approved prior to initiation by one or more of several means: Vendor Contract or Letter of agreement, purchase order, travel authorization or through email as part of carrying out the NPRC program of work.

Travel Authorization

- Staff/Contractors. Travel authorization for the Executive Director and staff must be obtained from a member of the Executive Committee prior to travel.
- Board/Alternate Member. A meeting notice of an upcoming meeting will serve as travel authorization for Council members and their alternates. Members and alternate members must obtain independent Officer's approval prior to attending a seminar, convention, conference, lecture, or other event of a business nature.

General payables document flow

1. Vendor invoices and check disbursement
 - a. All vendor invoices are received at the NPRC location by mail or electronically. All mail is sorted by the NPRC designee. All postal mail, except when noted as confidential or personal, is opened and date stamped the day received. If contracts are received and opened through regular mail, they are not date stamped. All vendor invoices and requests for payments are forwarded to the assigned NPRC Personnel.
 - b. The assigned NPRC Personnel will code and approve the invoice, and forward on to Accounts Payable (AP). Accounts Payable will check to see if the vendor is under contract with the NPRC and has a fully executed contract in place. If the invoice appears accurate, has the correct supporting documentation and is within the budget, then AP enters the invoice into QuickBooks as unpaid. AP must be confident of the legitimacy of the charge, and may investigate further by interviewing NPRC staff members or vendors.
 - c. As needed but not less than once every 30 days, AP prints the checks and a detailed check report. The detailed check report includes a listing of all checks that are being presented for signature with the following information: check number, check date, vendor name, class coding, and amount. Voided checks are also furnished. The Executive Director or member of the Executive Committee will initial each item on the check register to indicate approval of amount and coding. When necessary, either the Executive Director or AP will correct coding and note on the detailed check report the updated coding, or print an Audit Trail Report showing the original coding below the correct coding.
 - d. The entire payable package is then reviewed for accurate coding and to determine through attached documentation that the expense is a viable expense of the NPRC. The review also ensures that payment is fully compliant with all guidelines and NPRC's approved budget. After receiving the required two signatures on the checks, the package is returned to the NPRC office for final processing and mailing.

- e. The assigned NPRC designee distributes the checks to the vendors via regular mail, two-day air, or hand delivery as necessary.
 - f. AP files all paid invoices in each vendor's appropriate paid invoice file, along with all the supporting documentation.
2. Reimbursement of Board and Alternate expenses
- a. Board Members and Alternates are required to file an expense report for reimbursement of out-of-pocket expenditures associated with approved travel or NPRC related expenses (see Board Policies and Procedures).
 - b. All individual item claims \$25 or more must have a receipt or appropriate documentation. In the rare instance that an expense of \$25 or more is not supported by a receipt, a detailed explanation of the charge and why a receipt is not available must be provided.
 - c. All expense reports submitted by Board members and Alternates must be approved by the Executive Director.
3. NPRC-issued Credit Card invoices
- a. As deemed appropriate by the Executive Committee, an NPRC Credit Card may be issued for travel and associated business expenses. All charges to NPRC credit cards are considered an advance by the NPRC to the staff member assigned a credit card, and each staff member is responsible for all charges on the card assigned in their name.
 - b. Each staff member's credit card will be assigned a spending limit based on the staff member's position as well as the amount of travel involved with his or her job.
 - c. When the Credit Card bill is received in the NPRC office, AP will forward a copy to the staff member for reconciliation. If a charge is inadvertently made to the NPRC Credit Card or a portion of the charge is personal, or the charge is not deemed appropriate to be incurred by NPRC, then AP will enter it as a debit against the individual's next expense report or the employee will be asked to reimburse NPRC for the incurred amount by check.
 - d. AP will file all credit card bills and supporting documentation in appropriate paid invoice file.
4. On-line banking transactions
- a. In some instances, there will be a need to pay a bill electronically. The NPRC has access to electronic banking for its checking account. This service allows bills to be paid electronically either through on-line checks or wire transfers.
 - b. All vendor invoices that are to be paid through an Automatic clearing house (ACH) wire transfer or electronically are to be

handled in the same manner as those paid by check except for the final steps.

- c. All vendor invoices are received at the NPRC location. All mail is opened, date-stamped and sorted by the Administrative Assistant or other NPRC designee. All vendor invoices and requests for payments are forwarded to AP.
- d. AP reviews each invoice. AP checks to see if the vendor is under contract with the NPRC and has a fully executed contract in place before the invoices can be processed. If the invoice appears accurate, has the correct supporting documentation and is in keeping with the budget, then PP enters the invoice into QuickBooks and files as unpaid.
- e. After the transactions have been entered into QuickBooks, AP will process those transactions as having been paid by manual check, with the check number designated as ACH. A detailed check report is printed with the following information: check number, check date, vendor name, general ledger and class coding, and amount. A wire transfer approval form is prepared by AP and attached to the supporting invoice package.
- f. After AP enters the invoice(s) into QuickBooks, Executive Director verifies that the coding and charging to classes is accurate, as part of package review process.
- g. The Executive Director will review the detailed check report and the supporting invoice package. If all is in order, the Executive Director will sign the wire transfer approval form and return the package to AP.
- h. After the invoice is approved for payment, AP requests an ACH to be initiated. The initiator logs into the checking account and initiates the ACH from the Operating account to the vendor's account. A confirmation that the ACH has been authorized is sent to the initiator and AP.
- i. AP files all paid invoices in appropriate vendor's paid invoice file along with the supporting documentation.

Cash receipts

Assessment collections are sent to the NPRC. A copy of the check will be made and attached to the assessment form. The check is then prepared for the day's deposit. The Executive Director reviews the first handler's or importer's report for possible late payment of the assessment and determines if all required information has been included in the report. The handler's or importer's report must show for each transaction: crop year, total pounds of raspberries purchased or imported, the producer who delivered the raspberries (for domestic production), and the amount received from (domestic) producers. If the first handler's or importer's report is incomplete or there appears to be a calculation error, a call is made to the first handler or importer by the Executive Director to

get the required information; this contact is noted in the file. If the required information is not obtained from the first handler or importer within two weeks of the original call, a follow-up letter is sent to the first handler by counsel detailing the requested information. If the information does not arrive within two weeks after the letter, another letter indicating the matter will be turned over to USDA-AMS as a compliance issue is sent. The USDA-AMS is cc'd on the letter. The matter is then turned over to AMS compliance. A master compliance form-letter approved by the USDA is kept on file for consistent use for late payments.

If all is in order the deposit will be taken to the bank. The deposit slip as validated by the bank is then attached to the handler's or importer's report. This package is filed with other handler or importer reports in a date received order.

AP firm will enter the deposit into the accounting system unless further detail is needed. The deposit amount is coded by domestic or imported product and fiscal year.

Subsequent review of coding

In addition to the initial coding verification provided as part of each check run, additional reviews are done during the year as part of the financial statement review. Accounts will be looked at in detail to determine if any reclassifications should be made. Any questionable coding will be researched (pulling support documentation). The purpose of the second review is to assure there are no coding errors that could inaccurately impact the financial statements.

Invoicing for penalty on late payment of assessments

AP, under direction from the Executive Director, will prepare an invoice for any penalty charged to a first handler or importer. An accounts receivable listing will be generated and accounts over 30 days old are contacted by phone by the Executive Director or counsel. The Executive Director or counsel will remind the first handler or importer of the outstanding invoice and the penalty. Accounts past due over 60 days receive a letter stating that the USDA has been informed that they are not in compliance. A copy of the original letter sent to the USDA is included with the 60-day letter to the handler.

Penalty provisions and invoice for penalty

Section 1208.52 (e) of the Processed Raspberry Promotion, Research, and Information Order authorizes the National Processed Raspberry Council (NPRC) to impose a late payment fee in the form of interest on anyone who fails to remit the assessment in a timely manner. A late fee will be charged against any assessments received by NPRC after the respective due date. A 10-percent annual interest fee will accrue on all late payments.

Every year by July 1, NPRC will provide to all first handlers and importers information regarding the assessment process, answer any questions, and/or to

notify handlers of any possible changes in procedures. The NPRC will communicate with all first handlers and importers via letter, email, phone call or in person the current instructions for calculating the assessment, reminding them of appropriate address and penalty fees for late assessments and any other pertinent information necessary for the prompt and accurate collection and forwarding of the assessment.

To verify compliance, each fiscal year after October 31 but before December 31, the National Processed Raspberry Council will conduct an analysis of the collected assessments from the prior fiscal year compared with either state production records as obtained by USDA Agricultural Statistics Service for domestic production, or Customs imports records for imports.

The Council shall then use the results of that compliance analysis to evaluate and determine whether or not it wishes to conduct field audits of first handlers or importers. At least once every three years the NPRC will conduct field visits to randomly selected first handlers to spot check assessments collected compared with money forwarded to NPRC. In addition, NPRC will verify that the collection is computed uniformly and according to the instructions set forth. NPRC may call for a full audit of handlers at any time it determines such an audit is warranted.

At the completion of each fiscal year, the National Processed Raspberry Council will annually update its list of the assessment remitters of record. This information is considered confidential, and as such is accessible only to the Administration team including the Executive Director, legal counsel, the Council's CPA, and USDA.

Violations

If there is any indication that a first handler or importer has withheld the assessment from the producer, but not forwarded the money or appropriate required data to NPRC in the appropriate timeframe, or none has been forwarded, then the first handler or importer will be notified via letter. If compliance is still not forthcoming, a second letter from counsel is followed up by a phone call. If there is still no resolution, then a letter informing the handler that the matter will be turned over to USDA-AMS is sent.

After three attempts, the collection matter will be turned over to USDA-AMS for resolution. For those paying late, appropriate late fees apply. No late fees will be waved unless approved by the full Board.

NPRC Record Retention Policy

The records of the National Processed Raspberry Council (NPRC) are important assets. The records include essentially all records produced during the course of business. All NPRC contractors are responsible for keeping detailed files of the work conducted in their areas of responsibility. All files are property of NPRC

and are governed and subject to USDA audit. All contractors are responsible for safeguarding materials of a confidential and sensitive nature.

Questions regarding document retention should be directed to the Executive Director and legal counsel. Law requires a company to maintain certain types of records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject the NPRC to penalties and fines.

The NPRC document retention and destruction policy is set to ensure that documents are retained only so long as they are:

1. Necessary to the conduct of the organization's business
2. Required to be kept by statute or regulation
3. Relevant to pending or foreseeable investigations or litigation

The NPRC expects all contractors to fully comply with the NPRC record retention or destruction policies and schedules. If the policy says seven years, it means seven; not less and not more unless it falls into the exception category.

There are two exceptions:

1. Litigation. If it is believed that specific company records are relevant to litigation, or potential litigation, then those records must be preserved until they are no longer needed.
2. History. Documents relevant to the history of the National Processed Raspberry Council should be kept indefinitely.

Current and relevant documents should be filed systematically and accessibly. Placing documents in an electronic format provides easy access and properly secures them. The National Processed Raspberry Council will maintain files of all completed materials as well as USDA approvals for those materials. All contractors should become thoroughly familiar with the practice of providing completed materials to the NPRC on a timely basis.

Types of Records

Number of Years to Retain

Accounting

Audit reports	Indefinitely
Bank Statements and deposit slips	3
Computer Accounting records	7
General ledgers and journals	Indefinitely
AP Vouchers (vendors, employees & others)	7

Corporate

Bylaws, charter	Indefinitely
Board meeting minutes and agendas	Indefinitely
Compliance Records	Indefinitely
Signed Contracts	Indefinitely

FOIA materials (after FOIA resolved)	3
Legal and tax issues, settlements	Indefinitely
Litigation records	Indefinitely
USDA approvals	Indefinitely
Historical items and documents	Indefinitely

Insurance

Accident reports	5
Insurance Claims (after settlement)	10
Insurance Policies (all types – expired)	3
Safety reports (after termination)	5

Marketing

All electronic marketing materials	5
Advertising materials/approvals	Indefinitely

Research

All electronic research materials	Indefinitely
Research approvals and contracts	Indefinitely

Personnel

Contracts (expired)	Indefinitely
General resumes/applications (not contracted)	1

Electronic Documents

Electronic files that fall into the above referenced categories will be held to the same retention schedule as outlined above.

Indirect Costs Policy

No facilities and/or administrative fees, e.g., indirect or overhead costs, are to be included in contracts for research services. All approved funds shall be allocated to direct costs only. The Council will entertain requests for exemptions to this policy on a case by case basis. Those that apply for and are granted this exemption do so recognizing that the competitiveness of the project, and therefore its probability of being funded, are substantially reduced.

Anti-Trust Compliance Policy

It is the policy of the National Processed Raspberry Council (“Council”) and its Members and Alternates to comply strictly with all laws applicable to Council activities. Those activities may involve cooperative undertakings and meetings of Members and Alternates that are employed by companies that may have competing, and sometimes opposing, economic interests. For this reason, it is important to emphasize the ongoing commitment of the Council, and its Members and Alternates, to full compliance with applicable antitrust laws in the United

States, as well as comparable laws in other countries that may apply to the Council.

A free exchange of ideas on matters of mutual interest to Members and Alternates is necessary for the success of all meetings. Such an exchange of views is essential to the successful operation of every research and promotion Council. It is not the purpose of this Antitrust Compliance Policy to discourage the exploration in depth of any matters of legitimate concern to meeting participants. Nevertheless, to ignore certain antitrust ground rules, either through ignorance or otherwise, is to create a hazard business people cannot afford.

The Sherman Antitrust Act, the Clayton Act, the Federal Trade Commission Act, and the Robinson-Patman Act comprise the basic federal antitrust laws which set forth the broad areas of conduct considered illegal as restraints of trade. In general, agreements or understandings between competitors that operate as an impediment to free and open competition are forbidden.

The broad language of these laws suggests the scope of federal antitrust prohibitions by forbidding any "agreement or understanding ... to substantially lessen competition ... in any line of commerce." In particular, the U.S. antitrust laws prohibit:

1. Discussing the fixing or regulating of prices, markups, or the conditions or terms for sale.
2. Discussing the establishment of geographic trading areas, allocation of markets or customers, or classification of certain customers as being entitled to preferential treatment.
3. Discussing or participating in any plan designed to induce any manufacturer or distributor to sell or refrain from selling to, or to discriminate in favor of or against, any particular customer or class of customers.
4. Discussing limiting or restricting the quantity of products to be produced.
5. Discussing or participating in any plan designed to control the means of transportation or channels through which products may be sold.
6. Discussing or participating in any plan which has the effect of discriminating against or excluding competitors.

Council staff, officers, directors, Members, and Alternates are required to comply with the spirit and requirements of the antitrust laws.

Meeting Guidelines and Compliance Requirements

Pursuant to this Policy, the Council and its Members and Alternates shall adhere to the following conservative guidelines during all meetings.

Each Council meeting must be preceded by written notice of the date and time of the meeting along with a copy of an agenda for the meeting. All Council

members and alternates will receive a minimum of 20 days advance notice of all Council and committee meetings as required by the Order. The agenda can be contained within the notice. Counsel for the Council will participate in all full meetings and in any sub-meetings (or committee meetings) where Members and Alternates believe that potentially sensitive matters may arise.

1. This Policy will be included as part of the materials prepared for each and every meeting of the Council and its committees. Counsel or USDA will review this Policy at the opening of each Council meeting (or sub-meeting or committee).
2. USDA or Counsel will review the notice, agenda, and any written handouts or materials for antitrust compliance.
3. Minutes will be taken at every Council meeting. USDA and Counsel will review all minutes. There are no “off the record” meetings or conversations.
4. The Council does not support or condone the holding of any unofficial meeting by its Members or Alternates in conjunction with a Council meeting.

It is not possible to identify every topic that might raise antitrust concerns if discussed at a Council meeting or other meetings attended by Members or Alternates in their capacity as Council members. The legality of communications often turns on the particular purpose and context of the communication. As a general matter, however, communications and discussions that could be perceived as an agreement among competitors regarding product pricing, production levels, marketing strategies, sales territories, inventory levels, or particular customers or suppliers must be avoided.

In accordance with this Policy, the following may not be discussed at Council meetings:

1. Future prices or price related information
2. Discounts, allowances, credit or other terms of sale
3. Profit margins
4. Past or future plans for bidding or not bidding on particular business
5. Pricing policies or proposed or planned price changes
6. Allocation of or other limitations on sales to particular customers, territories or products
7. Refusals to do business with any third parties (customers, competitors or suppliers), including distributors
8. Limiting or eliminating internal industry competition
9. Ongoing or planned research, development, new product introductions, product improvements, or marketing approaches, related to a specific member

Furthermore, the following may only be discussed (or information on such topics exchanged) at Council meetings if first discussed with, and approved by, Counsel and USDA:

1. Historical prices or price related information.
2. Costs, output, inventory levels, capacity utilization or other similar information.

Compliance with these guidelines is necessary to avoid even the “appearance” of a violation of the antitrust laws. As noted above, the guidelines contained in this Policy cannot anticipate every fact situation that may arise for the Council. At best, they provide only a general outline of some of the areas which pose antitrust dangers in discussions between competitors and between sellers and their customers. They are provided to guide discussion during meetings and in connection with social or other gatherings on those occasions.

Any questions or concerns regarding an antitrust issue or the application of this Policy should be directed to USDA and/or Council’s Counsel. If any question arises about an item on a meeting agenda, it should be reviewed by Counsel and/or USDA before the meeting. If the question does not arise until the meeting has begun, or if a questionable topic is about to be discussed in connection with any gathering, whether or not a formal meeting, that discussion should be immediately stopped and not resumed until approved by Counsel and/or USDA. If a matter is directed to Council’s Counsel, he/she shall consult with USDA on all antitrust issues/concerns implicated.

Travel Policy

The Council will reimburse Members, alternate members, committee members, staff and contractors for all reasonable and necessary expenses incurred in connection with travel on authorized Council business. Travelers on Council business are expected to use moderation and proper judgment and to select the most economical transportation and lodging appropriate for each trip. Pre-approval of all travel is required. The Council office will make travel arrangements whenever possible.

Policy Application

1. Members, alternate members, committee members, contractors and staff travelling on Council business will be governed by this policy.
2. The term “Contractor” refers to any individual or organization providing services to the Board.
3. The term “Officer” refers to an Officer of the Council.
4. The term “Staff” refers to any individual employed by the Council.

Transportation

1. Personal Vehicle

- a) Mileage will be reimbursed at the current IRS mileage rate to cover all vehicle expenses, including gasoline, repairs, maintenance, and insurance while travelling on board business.
 - b) When a personal vehicle is used for Council business, it must carry the minimum insurance coverage required by law for bodily injury or property damage.
2. Rental Vehicle
 - a) A compact or intermediate car should be rented when travelling alone. Advance arrangements should be made in order to receive optimum discount rates.
3. Air Travel
 - a) Standard domestic airline accommodations will be coach, tourist, or economy. Standard international airline accommodations will be coach.
 - b) Reservations should be made at least two weeks in advance to take advantage of discounted rates.

Lodging

Members, alternate members, contractors, and staff are authorized to use mid-range priced hotels. It is their responsibility to cancel a reservation before the cancellation deadline. "No show" charges are not reimbursable unless it results from an unavoidable circumstance.

Business Meals and Entertainment

1. Council Members, Alternate Members and Committee Members shall receive a *per diem* in the amount of US\$100 when attending Board and Committee meetings.
2. Meal and entertainment expenses for other persons are allowed only when directly related to Council business. The expense report must clearly indicate the purpose of the entertainment, dates, places, names of those entertained, their business affiliation, and their relationship to the Council.

Seminars, Conferences and Conventions

Members, alternate members, contractors, or staff must obtain independent Officer's approval prior to attending a seminar, convention, conference, lecture, or other event of a business nature. Expenses will only be reimbursed for the length of the event, which may include the day before and the day after the event for travelling.

Miscellaneous

Incidentals. The Council will reimburse, with a receipt when possible, the following items:

1. Laundry and dry cleaning when travelling on Council business for more than five consecutive days.
2. Tolls, parking, porter and baggage handling tips.

3. Costs paid to use the most reasonable form of transportation to and from hotels, motels, and airports.

International Travel. International travel must be approved by an Officer. International travel by contractors shall be considered approved when specified in annual plans and budgets adopted by the Council. All expenses must be shown in U.S. dollar values, and foreign currency exchange rates should be noted.

Travel Expense Reports. Expense reports should be submitted to the Board after completion of each trip, and within a reasonable amount of time.

1. A receipt must be submitted for any expense over \$25.00.
2. Expense reports for domestic travel must be approved prior to payment.
3. Expense reports for international travel must be approved by an Officer, independent of the expense, prior to payment.
4. Falsification of expense reports will be brought to the Board's attention.
5. If the claimant is an employee of the Council, the claim shall be approved by the supervisor or the Council's designee.
6. If the claimant is a Council member, the claim must be approved by the Treasurer, Council Chairperson or someone designated by the Chairperson.
7. If the claimant is a Council officer, the claim must be reviewed and approved by the Chairperson of the Council or the Council's designee.
8. If the claimant is the Council Chairperson, the claim must be reviewed and approved by the Treasurer or the Council's designee.

Exclusions

The following expenses will not be reimbursed:

1. Non-Director and non-contractor expenses, unless pre-approved by an Officer independent of the expense.
2. Personal expenses (i.e. movies, entertainment tickets, mini-bar, etc.).
3. Traffic tickets or parking fines.
4. Spouse and/or family expenses, including but not limited to airfare and meals that a family member would incur during travel with a member, Council staff, and/or contractor.

Social Media

The goal of the National Processed Raspberry Council social media program is to build an online, interactive community of raspberry lovers, building on raspberry's wholesome and healthful image to grow demand for raspberries due to their versatility, availability, and year-round convenience. Tactics will focus on sharing content that appeals to consumers, end-users, food service operators, retailers, and food manufacturers. Serving tips, grower stories, upcoming raspberry events, and recipes will be used to carry the raspberry health message.

This Social Media Policy is meant to provide guidance to members of the industry and Council contractors and agencies for social networking. Social networking activities that affect the Council's business interests are the focus for this policy. This policy, as approved by USDA/AMS, will allow the Council and its vendors to implement its social media program. All messaging will adhere to USDA guidelines, including the "Guidelines for AMS Oversight of Commodity Research and Promotion Programs" and the "Guidelines for Committee/Board Advertising, Promotional Material, Web Sites, and Other Publications" as issued by AMS's Fruit and Vegetable Programs. Members of the industry are encouraged to join online conversations that pertain to raspberries to support the reputation of raspberries and the Council as the industry's main promotional arm.

- A. The Social Media Policy has been created to ensure the Council's voice is part of the larger conversation relating to raspberries and to the consumption and use of raspberries in a consistent manner. Do not jump into a conversation before you understand the topic being discussed. Make sure you are knowledgeable about it and only contribute when you can add to or advance the discussion.
- B. While some direct product promotion is important, it is also important that the industry be seen as actively involved in the lifestyles of our consumers, so promotional messaging should be balanced with conversation and relevant information-sharing.
- C. Everything posted online is visible by all. Sharing any information that compromises the Council's policy, management positions and customer or industry member information is not allowed.
- D. The reputation of raspberries is as a wholesome, healthy product that should be enjoyed by most everyone. Do not say anything that could be considered defamatory, discriminatory, harassing, or violates copyright laws, among others restrictions. Comments or conversations referring to drug or alcohol abuse, usage of profanity, inclusion of off-color or sexual humor, or any other inappropriate conduct should never be part of NPRC conversation, regardless of your personal views on these issues. Any such comments on Council controlled or sponsored social media will be immediately deleted. Social networking on behalf of raspberries should show proper respect for people's privacy and for topics that may be considered objectionable or inflammatory.
- E. Participate on social networks in a positive and constructive manner and refrain from saying anything that might hurt or offend. Do not engage in conversation that would be considered unacceptable in the work place.
- F. Unless specifically authorized to do so, you may not use the Council's logo or any other NPRC identity.
- G. Please don't reference staff, members of the industry, partners or vendors without their approval unless you're engaged in a conversation online where they've already revealed their identities.
- H. If you publish content to any outside website and it has something to do with work you do or subjects associated with the Council, please use a disclaimer

such as: "The views expressed here are my own and don't necessarily represent the positions or opinions of the National Processed Raspberry Council."

- I. If you see something that questions the Council's credibility or any customer complaints about raspberries, alert staff, who will respond. Please do not respond to negative comments online without an internal discussion first.
- J. Only authorized staff or contractors are allowed to post, share, or respond to online content as the official voice of the NPRC. If you have question as to whether you are authorized to represent the NPRC, or have any questions regarding this policy or its intent, please contact the Council's Executive Director.

CONTRACT GUIDELINES

The Council will use written contracts whenever practicable to carry out their activities. The Council shall maintain accurate and complete files on all of their contracts, ensure that no monies are spent before a contract has been approved by both parties and USDA's Agricultural Marketing Service, and ensure that the activities covered by all contracts are approved by the Research and Promotion Branch, Fruit and Vegetable Programs, Agricultural Marketing Service (AMS).

General Contracting Guidelines

All Council contracts shall conform to the following guidelines:

1. The substance of contracts must be consistent with the requirements of the Processed Raspberry Promotion, Research, and Information Order, AMS Guidelines for Oversight of Research and Promotion Programs, and any Board or AMS policies.
2. A contract must contain the following statement that the contracted party agrees to follow federal civil rights policies, as such policies pertain to the Council:

"The contracted party agrees that, during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, genetic information, parental status, and marital or family status. The contracted party agrees that it will fully comply with any and all applicable Federal, State, and local equal employment opportunity statutes, ordinances, and regulations, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; and the Equal Pay Act of 1963. Nothing in this section shall require the Contractor to comply with or become liable under any law, ordinances, regulation, or rule that does not otherwise apply to the Contractor."

3. Work commencement and completion dates must be specified.
4. The following or a similar phrase must be included: Work will commence from the date of contract signature and upon written contract approval by USDA until the project completion.
5. AMS requires boards to notify contracted parties that work undertaken prior to contract approval by AMS is at their own risk as the board is not financially liable if the contract is not approved by AMS. An appropriate statement on this policy must be included.
6. Contracts should include the following: All non-proprietary information collected as part of the project will be the property of the Council.
7. A contract must clearly indicate that the Council has sole ownership of all materials. Joint ownership may be granted under some circumstances.
8. Wording should be included in a contract that the Council reserves the right to copyright or trademark any or all of the materials.
9. All contracts must inform the contracted party that no expenses paid by the Council to the contracted party shall be used in any manner for the purpose of the influencing of legislation and/or the influencing of governmental policy or action.
10. The contracted party must inform vendors/subcontractors of the Council's tax exempt status and that all vendors and subcontractors are subject to the same terms and conditions as the contracted party.
11. Notice must be included in a contract that the Council as well as the Secretary of Agriculture may terminate the contract and be relieved of the payment obligation. The following wording may be used: The Council and USDA reserve the right, at their own discretion and for any reason deemed by them to be sufficient, to cancel or modify the project after the date of contract signature. In such event, it is agreed that the Council is liable for all commitments made prior to cancellation or modification and shall reimburse the contracted party for all reasonable amounts due or owing in accordance with this contract at the time of said termination.
12. If subcontractors will or might be used, the following or similar wording must be included: The contracted party will primarily rely on in-house staff to undertake project assignments. However, the contracted party retains the right to subcontract specific tasks to outside parties. Should the contracted party elect to subcontract specific tasks, subcontractors will be subject to the same contractual terms as the contracted party in regard to reporting and

record keeping, travel expenses, title of property, confidential information, influencing legislation and/or influencing governmental policy or action, and following Federal Civil Rights policies. The contracted party will be fully responsible for the quality of all work products. The Council is responsible for ensuring that funds are spent appropriately, including any subcontracts.

13. A contract must contain a statement indicating that all deliverables must be reviewed by AMS prior to use. This applies to any contract involving promotional materials or other deliverables. Under no circumstances can a contracted party release any materials, data, information, or other deliverables to anyone other than the Council without AMS review and approval.
14. A contract must have a detailed list of all services to be provided by the contracted party.
15. All costs and compensation should be detailed in any contract, including any limitations.
16. A description of billing and payment information must be included.
17. Contracts must require the contracted party (a) to keep accurate records, books, and documents involving transactions relating to the contract and (b) to retain the records, books, and documents for three years. In addition, the contract must state that the records, books, and documents may be subject to inspection and audit by a representative of the Secretary of Agriculture.
18. Information on cash discounts should be contained, if applicable.
19. Contracts may include indemnification paragraphs similar to the following:

“Contracted party agrees to indemnify and hold harmless the Council and the Secretary and their affiliates, members, officers, directors, agents, and employees against all losses, damages, liabilities, cost or expenses, including reasonable attorneys’ fees resulting from all claims, proceedings, investigations, or actions (collectively, arising out of or in connection with the contract and the services rendered by the contracting party). This indemnification obligation shall survive the expiration or termination of this contract.”

“The Council agrees to indemnify and hold harmless the contracting party against all losses resulting from claims arising out of or in connection with board-supplied products or materials, or representations concerning the Council, or its services or products, to the extent furnished or prepared by or at the Council's request for use by the contracting party, including, without

limitations, infringement upon intellectual property or other proprietary rights. This indemnification obligation shall survive the expiration or termination of this contract.”

20. With AMS approval, the Council may enter into multi-year contracts provided: (1) all funding is obligated during the budget year, or (2) contracts require extensions consistent with the budget year and include an “escape clause” – clear language that the Council may cancel the project at any time for any reason without incurring the full contract cost.
21. When contracts exceed \$25,000, the Council will ask three or more companies to provide bids for the work based on a Request for Proposal (RFP), unless the company provides a unique service which cannot be replicated by other vendors, or the vendor has a successful and on-going relationship with the Council and their expertise and knowledge of the NPRC makes them a more efficient vendor.
22. Price is not the ultimate deciding factor in granting a contract to a vendor as other factors including background and experience are included in final evaluations and decisions.
23. Written contracts will not be required for work on projects totaling \$2,500 or less.

Internal Contracting Procedures

1. The Executive Director or other staff person designated by the Council shall prepare and coordinate contracts and forward contracts to AMS for review and approval.
2. When contracts are submitted to AMS for review and approval, a statement shall be included explaining why a contract was awarded to a particular contractor, including justifications when the lowest bid is not awarded or when non-competitive contracts are awarded.

Example: This contract is being awarded to [Contractor] because [insert reason].

Sample reasons:

- a. The [contractor] was determined to be the most capable based on experience in [sports marketing, food PR, working with commodities, etc.] and was the lowest bid.
- b. The [contractor] was determined to be the most capable based on experience in [sports marketing, food PR, working with commodities, etc.]. Although not the lowest, this was a reasonable bid.

- c. The [contractor] was determined to be the most capable based on experience in [food, commodities, crisis management, etc.] and was not subject to bidding due to the nature of the contract.
3. A log of all contracts sent and received shall be maintained.
 4. Three copies of all AMS-approved contracts shall be made. One copy is filed, and two are signed by appropriate Council staff and then sent for signature by the contracted party.
 5. The fully signed contract shall be scanned for electronic storage and for submittal to AMS.
 6. Contracts of the following nature will be reviewed or evaluated at least every three years and may be bid depending upon the results of the review: Public Relations/Advertising agencies; CPA firms for the end-of-year financial audits.
 7. Contracts of the following nature are not required to be bid and are at the discretion of the CEO within the approved budget and subject to the By Laws: Basic research; Collaborations or partnerships with other organizations; Research consultants and technical support; Market research; Sponsorships related to trade shows; Applied research, formulations, and product development; Spokespersons.

Attendance at Council Meetings

Full attendance at Council meetings is necessary to allow debate and discussion on policy and strategic subjects and for the Council to fulfill its role as previously described.