

**NEBRASKA CULTURAL ENDOWMENT  
AMENDED AND RESTATED  
CODE OF ETHICS**

This Amended and Restated Code of Ethics (the "Code") was adopted by the Board of Directors (the "Board") of the Nebraska Cultural Endowment (the "Corporation") on July 22, 2009.

All staff, Board members, volunteers and representatives of the Corporation shall act with honesty, integrity and openness in all of their dealings and on behalf of the Corporation. Operating with a strong sense of honesty, integrity and openness is critical to achieving the Corporation's vision of maintaining trust and credibility with (1) the people of Nebraska who entrust the Corporation with endowment funds for the benefit of the arts and humanities, (2) the general public, (3) the courts, (4) public officials, (5) the Corporation's funders, (6) the Nebraska Arts Council, (7) the Nebraska Humanities Council, (8) the Corporation's employees and (9) the Corporation's partners. The Corporation's reputation for ethical behavior and integrity is one reason the Corporation is considered a leader in raising and managing endowment funds for the arts and humanities in Nebraska. Maintaining that reputation is very important to the Board and the Corporation's staff. The Board has adopted the Code which is specifically designed to be part of an effective program to prevent and detect violations of corporate policies and the law. The fundamental principles reflected in this Code of Ethics are:

- Honesty
- Adherence to all applicable laws.
- A Commitment to a high-quality work product and services.
- The Promotion and maintenance of a work environment that fosters mutual respect, openness and individual integrity.
- Fairness in all aspects of the Corporation's operations.

The fundamental premise underlying the manner in which the Corporation conducts its activities is the use and exercise of good judgment. It is not possible for the Code to address every ethical or legal issue that an employee, officer, volunteer, director or representative may face. In addition, the Code is not a substitute for the exercise of good judgment by the Corporation's employees, volunteers, representatives and directors.

The Corporation has adopted, and from time to time in the future may adopt additional, more detailed policies and procedures with regard to matters addressed by the Code in addition to matters not mentioned in the Code. Those policies and procedures may also be amended or supplemented from time to time. The Executive Director is responsible for ensuring that any employee under his or her supervision is thoroughly familiar with the Code and is applying it consistently in all of his or her corporate activities. No employee has the authority to violate any of the Code's provisions or to direct or authorize others to do so.

Except as specifically provided in the Section below entitled **Conflicts of Interest**, as used herein, the word "employees" includes salaried employees, officers, contract employees, independent contractors, volunteers and, when they are acting on behalf of, or in the name of, the Corporation, the members of the Board and representatives of the Corporation.

Compliance with the Code as well as the Corporation's policies and procedures is a condition of employment with the Corporation. Failure to comply with the Code could subject the violator to disciplinary action, up to and including termination. Please see "**Reporting Violations of the Code**" below for more information.

### **Legal Duties of the Board Members**

Members of the Board owe a duty of loyalty and a duty of care to the Corporation. The duty of loyalty requires that, in serving as Board members, they act not in their personal interests or in the interests of others, but rather solely in the interests of the Corporation. Board members must have undivided allegiance to the Corporation's mission and may not use their positions as Board members, information they have about the Corporation, or the Corporation's property, in a manner that allows them to secure a pecuniary benefit for themselves or their relatives. For more detailed discussion of the Corporation's policy in this regard, see the section entitled "**Conflicts of Interest**" below.

Board members also have a duty of care toward the Corporation. This duty of care means that a Board member in fulfilling his or her responsibilities with respect to the Corporation shall act with the care that an ordinary prudent person in a similar position would exercise under similar circumstances.

### **Accurate Business Records**

The Corporation is committed to the integrity and completeness of its corporate recordkeeping. The Corporation will maintain books, records, and accounts that accurately and fairly reflect its transactions. The improper alteration, destruction, concealment or falsification of records or documents is strictly prohibited and may result in disciplinary action and/or criminal penalty.

The Corporation will only enter into transactions pursuant to management's specific authorization or established, formalized policies and procedures. The Corporation will properly record such transactions in the accounts of the Corporation to permit the preparation of the Corporation's financial statements in conformity with generally accepted accounting principles. Each entry will be coded into an account that accurately and fairly reflects the true nature of the transaction. The Corporation recognizes that proper recording of all transactions is essential to the Corporation's control of its affairs and the accuracy of its financial reporting. To maintain the integrity of the accounting records, entries in the Corporation's books and records must be prepared carefully and honestly and must be supported by appropriately adequate documentation to provide a complete, accurate, and auditable record. All employees have a responsibility to assure that their work is complete and accurate. The Corporation strictly prohibits employees and other representatives of the Corporation from deliberately making any false or misleading entry for any reason, and from assisting any other person in making a false or misleading entry involving the Corporation's accounts.

Employees must provide accurate and complete information to the Corporation's officers, legal counsel, internal auditors, independent auditors, and any other person authorized to receive the information. Secret activities (other than those mandated by law in proper accordance with

government mandated procedures) invite misconduct, while full disclosure reinforces responsibility and acts as a powerful deterrent to wrongdoing. Therefore, the Corporation strictly prohibits any undisclosed or unrecorded transactions, other than those mandated by law in proper accordance with government mandated procedures.

In addition, the Corporation will maintain its records in accordance with the Corporation's Record Retention and Destruction Policy as in effect from time to time.

### **Compliance With Laws**

The Corporation's policy is to comply with all laws, rules and regulations that are applicable to its operations.

## **Conflicts of Interest Policy**

The purpose of the Conflicts of Interest Policy regarding senior staff persons, officers and directors is to protect the Corporation when it is contemplating entering into a transaction or an arrangement that might benefit the private interest of a senior staff person, officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations.

### **1. Interested Person**

Any director, senior staff person, or member of a committee of the Board (the "Committee"), who has a direct or indirect financial interest, as defined below, is an "interested person." A "disinterested person" is a senior staff person or director or a member of a committee of the Board who has no financial interest, as defined below.

### **2. Financial Interest**

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

- a.** an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b.** a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has entered into a transaction or arrangement, or
- c.** a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under paragraph 4 below, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or Committee decides that a conflict of interest exists.

### **3. Duty to Disclose**

In connection with any actual or potential conflict of interest, an interested person must promptly disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Chairman and the chairman of the Committee (the "Committee Chairman") considering the proposed transaction or arrangement.

### **4. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists, utilizing the procedures described in paragraph 5 below.

## **5. Procedures for Addressing the Conflict of Interest**

**a.** An interested person may make a presentation at the Board or Committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

**b.** The Chairman or the Committee Chairman shall, if appropriate, appoint a disinterested person or subcommittee to investigate alternatives to the proposed transaction or arrangement.

**c.** The Board or Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. As part of its determination of whether the transaction or arrangement is in the Corporation's best interest, and fair and reasonable, the Board or Committee will also consider if a more advantageous transaction or arrangement is reasonably possible under the circumstances not producing a conflict of interest. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

## **6. Violations of the Conflicts of Interest Policy**

**a.** If the Board or Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

**b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, which may consist of removal from the Board or Committee.

## **7. Records of Proceedings**

The minutes of the meetings of Board and all Committees with Board-delegated powers as described above shall contain:

**a.** The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Committee's decision as to whether a conflict of interest in fact existed.

**b.** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## **8. Compensation**

**a.** A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

**b.** A voting member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

**c.** No voting member of the Board or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to the Board or any Committee regarding compensation.

## **9. Salaried Employees**

Employees must report actual or potential conflicts of interest, as described in paragraph 2 above, **Financial Interests**, to the President. Two factors that will be considered when determining whether a conflict of interest exists are:

(1) whether the employee is, or could be, in a position to influence the Corporation's decisions; and (2) whether the employee's judgment could be affected, or could appear to be affected, because of the significance of the employee's personal interest.

After a review of the facts and circumstances regarding the situation, the President will make a decision as to whether the affected employee will be required to abstain from participating in the activity in question. The employee's disclosure obligation is continuing, and should the employee be involved in another situation involving the same or similar facts that gave rise to a review by the President, the employee has the obligation to disclose again the circumstances causing the potential conflict of interest as outlined above.

## **10. Annual Statements**

Each director, principal officer, member of a Committee and employee shall annually sign a statement which affirms that such person:

- a.** has received a copy of this Conflicts of Interest Policy,
- b.** has read and understands the Policy,
- c.** has agreed to comply with the Policy, and

- d. understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

A copy of the Corporation's Board and staff Conflict of Interest Disclosure Statement, marked "Appendix A" is attached hereto.

## **11. Periodic Reviews**

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Board's Audit, Finance and Investment Committee. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

- b. Whether partnerships, joint ventures, and arrangements with management corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **12. Use of Outside Experts**

When conducting the periodic reviews as provided for in paragraph 11 above, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

## **Responsible Stewardship**

The Corporation shall manage its funds responsibly and prudently. This includes the following considerations:

- The Corporation shall spend a reasonable percentage of its annual budget in pursuance of its mission;
- The Corporation shall spend an adequate amount on administrative expenses to ensure an effective accounting system, internal controls, competent staff, and other matters critical to professional management;
- The Corporation shall compensate its staff and contractors reasonably and appropriately;
- The Corporation shall incur reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs;
- The Corporation shall not accumulate operating funds excessively;

- The Corporation shall ensure that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of the organization; and
- The Corporation's financial reports shall be factually accurate and complete in all material respects.

### **Openness and Disclosure**

The Corporation provides comprehensive and timely information to the public, the media, and all stakeholders and is responsive in a timely manner to reasonable requests for information. All information about the Corporation will fully and honestly reflect the policies and practices of the organization. Basic informational data about the organization, such as the Form 990 and audited financial statements, will be posted on the Corporation's website. All solicitation materials accurately represent the Corporation's policies and practices and will reflect the dignity of program beneficiaries. All financial, organization, and program reports will be complete and accurate in all material respects.

### **Fundraising**

The Corporation shall be truthful in its solicitation materials. The Corporation will respect the privacy concerns of individual donors and expend funds consistent with donor intent. The Corporation shall disclose important and relevant information to potential donors.

In raising funds from the public, the Corporation will respect the rights of donors, as set out below:

- To be informed of the mission of the Corporation, the way the resources will be used, and its capacity to use donations effectively for their intended purposes;
- To be informed of the identify of those serving on the Corporation's Board and to expect the Board to exercise prudent judgment in its stewardship responsibilities;
- To have access to the Corporation's most recent financial reports;
- To be assured their gifts will be used for the purposes for which they were given;
- To receive appropriate acknowledgment and recognition;
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law;
- To expect that all relationships with individuals representing the Corporation to the donor will be professional in nature;
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

## **Ethics Obligations For Certain Employees**

In addition to the provisions herein for employees reporting ethical violations, in performing his or her duties, each employee responsible for receiving, recording and processing invoices and other requests for payment, payroll, recording financial matters on the books of the Corporation, approving and processing payments by the Corporation, and/or processing recording and depositing payments received by the Corporation must:

- maintain high standards of honest and ethical conduct and avoid any actual or apparent conflict of interest as defined in the Code;
- report to the President any conflict of interest that may arise and any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest;
- comply and take all reasonable actions to cause others to comply with applicable governmental laws, rules, and regulations; and
- the President shall promptly report violations of the Code to the Chairman of the Audit Committee.

## **Inside Information**

A Director shall not use inside information of the Corporation for his/her personal benefit, or use such inside information or his/her position as Director to the detriment of the Corporation. Inside information is information obtained through the Director's position that has not become public information.

## **Confidentiality**

The Corporation believes that it is the responsibility and duty of each employee not to disclose to any external person or firm information that is proprietary or otherwise “Confidential Information” as defined by the Nebraska Supreme Court, the Nebraska Rules of Professional Conduct, written material marked "Confidential Information," or as defined elsewhere by the Corporation's policy, except where the disclosure is required or mandated by law or is otherwise properly authorized. All employees must be careful not to disclose non-public information to unauthorized persons, and must exercise care to protect the confidentiality of such information received from another party. To the extent that an employee is uncertain as to whether information may be disclosed and/or to whom the information may be disclosed, they should consult the Executive Director.

A Director should not disclose information about the Corporation's legitimate activities unless the matter is already known by the public or is of public interest. In the normal course of business, a board member should treat as confidential all matters involving the Corporation until there has been a general public disclosure or unless the information is a matter of public record or common knowledge. An individual director is not a spokesman for the Corporation and as a consequence, disclosure to the public of corporate activities should be made only by the Corporation's designated spokesperson, the Executive Director or the President. This expectation of confidential treatment applies to all current information about legitimate Board or Corporation activities.

## **Employment Matters**

The Corporation promotes inclusiveness and its staff, Board and volunteers will reflect diversity in order to enrich its programmatic effectiveness. The Corporation shall take meaningful steps to promote inclusiveness in its hiring, retention, promotion, and Board recruitment.

The Corporation strives to maintain a work environment that is free from all forms of harassment, intimidation, or coercion. The Corporation expects all employees to be treated with dignity and respect. To this end, the Corporation strictly prohibits any harassment and/or derogatory comments or inappropriate conduct based upon a person's race, sex, age, national origin, sexual orientation, marital status, color, mental or physical disability, veteran status, or any protected physical or personal characteristic. The Corporation also has a policy prohibiting discrimination against employees, directors or officers on account of race, color, age, sex, religion, sexual orientation, marital status, mental or physical disability or national origin. In addition, the Corporation strictly prohibits retaliation/victimization against an employee for complaining about alleged discrimination and/or harassment.

## **Gifts, Gratuities, And Entertainment**

Receiving business gifts of nominal value in accordance with accepted business practices is permissible where customary. Receiving cash or gifts of significant value or that are not in accordance with accepted business practices is strictly prohibited. In this context, business gifts include meals and transportation. Customary business entertainment, including meals or transportation, is proper unless the value, cost, or frequency of the business entertainment is such that it could be interpreted as affecting an otherwise objective business decision.

When determining if a gift could be interpreted as affecting an employee's otherwise objective business decision, the position of the employee and whether the employee is or could be in a position to influence the Corporation's decisions will be taken into account. Business-related social contacts can be in the best interest of the Corporation when properly conducted on a limited basis.

### **Administration And Implementation Of The Code**

The President or the Executive Committee shall be responsible for the administration of the Code. The Executive Committee will, from time to time, establish those procedures as it deems necessary or desirable in order to discharge this responsibility. These procedures will provide for obtaining advice of legal counsel where appropriate. In discharging these responsibilities, the President or Executive Committee may delegate authority to such committees, officers and other employees and may engage agents and advisors as it deems necessary or desirable.

The Executive Director shall be the "Compliance Officer" under the Code, and shall be responsible for distribution of the Code to appropriate personnel within their function or organization and for providing knowledge, education, and understanding of its importance and meaning. Each employee must acknowledge in writing receipt of the Code.

Employees may be required periodically to certify, in writing, compliance with the Code or to describe any deviations known to them.

### **Reporting Violations Of The Code**

This Code applies to all employees, and has been adopted by the Board to promote honest and ethical conduct, proper disclosure of financial information to the Board and compliance with applicable laws, rules, and regulations.

An employee who becomes aware of a violation of the Code or believes that a violation may take place in the future must report the matter. The report should be made to the Executive Director of the Corporation. Should an employee not feel comfortable reporting an actual or potential violation of the Code through the above-stated means, the employee may report such an issue to the President of the Board.

The Corporation has in place a Whistleblower Policy. It is a violation of the Code to intimidate, discharge, demote, suspend, threaten, harass or impose any form of retribution on any employee who utilizes the reporting system in good faith to report suspected violations (except that appropriate action may be taken against an employee if the Corporation determines that the employee has committed a violation of the Code or the Corporation's policies).

Except as specifically provided in the Section entitled **Conflicts of Interest**, the person or persons authorized by the President or the Executive Committee to investigate alleged violations of the Code will, as appropriate, in accordance with procedures established by the Executive Committee:

- evaluate the information as to gravity and credibility and determine whether to conduct an informal inquiry or a formal investigation of the allegation;

- conduct an informal inquiry or a formal investigation with respect to the allegation;
- prepare a report of the results of the inquiry or investigation, including recommendations as to the disposition of the matter;
- make the results of the inquiry or investigation available to the Board (including disciplinary action by the Executive Committee); and recommend changes in the Code necessary or desirable to prevent other inappropriate conduct.

In connection with any investigation of a reported violation or possible violation of the Code, employees must not (1) interfere with the investigation, such as by providing false, misleading or incomplete information, concealing information or encouraging others not to contribute to an investigation or (2) destroy or alter any information relevant to the investigation. In addition, the Corporation may disclose the results of investigations to law enforcement agencies.

The Corporation shall consistently enforce the Code through appropriate means of discipline, up to and including termination. Depending on the nature of the alleged violation of the Code and the outcome of the resulting investigation, the President or Executive Committee may determine whether a violation of the Code has occurred and, if so, whether and to what extent any disciplinary action will be taken. Provided, however, that the President or Executive Committee will not make such determinations with respect to employment-related matters

The Corporation deems violations of the Code to be a serious matter and may in certain cases report such violations to appropriate law enforcement agencies to determine whether additional civil and/or criminal proceedings are appropriate.

Persons subject to disciplinary action may include, in addition to the violator, others involved in the wrongdoing such as:

- persons who fail to use reasonable care to detect a violation of the Code;
- persons who, if requested to divulge information, withhold material information regarding a violation of the Code; and
- employees who approve or condone the conduct which is in violation of the Code or who attempt to retaliate against employees or agents for reporting violations of the Code.

Violations of the Code of Ethics by an employee, including failures to report potential violations by others, will be viewed as a serious matter that may result in disciplinary action, up to and including termination. If an employee believes that a violation of the Code of Ethics has occurred, he or she should contact the Executive Director, provided that if an employee feels uncomfortable reporting an actual or potential violation of ethics obligations to the Executive Director, an employee may contact the President of the Board.

## **Waiver**

The Board may, in its sole discretion, grant waivers of the provisions of the Code from time to time after completing appropriate steps to review the facts and circumstances related to the requested waiver. Waivers are only effective if set forth in writing after full disclosure of the facts and circumstances surrounding the waiver.

If an employee believes that a waiver of the Code is necessary or appropriate, a request for a waiver and the reasons for the request must be submitted in writing to the Chairman of the Board.

Any waiver of the Code for such persons can only be granted by the Board of Directors or a duly authorized committee of the Board of Directors.

**Appendix A**

**Code of Ethics and Conflict of Interest Disclosure Statement  
Nebraska Cultural Endowment  
Board of Directors and Staff**

Please initial in the space at the end of Item A or complete Item B, whichever is appropriate. Complete Item C, sign and date the statement and return it to the President of the Board of Directors (the "President") of the Nebraska Cultural Endowment (the "Corporation").

- A. I am not aware of any relationship or interest or situation involving my family or myself which might result in, or give the appearance of being, a conflict of interest between such family member or me on one hand and the Corporation on the other. \_\_\_\_\_
  
- B. The following are relationships, interests, or situations involving me or a member of my family which I consider might result in or appear to be an actual, apparent or potential conflict of interest between such family members or myself on one hand and the Corporation on the other. \_\_\_\_\_

For-profit corporate directorships, positions, and employment with:

Nonprofit trusteeships or positions:

Memberships in the following organizations:

Contracts, business activities, and investments with or in the following organizations:

Other relationships and activities:

- C. My primary business or occupation at this time is:

I have read and understand the provisions of the Corporation's Code of Ethics, which includes its Conflict of Interest Policy, and agree to be bound by it. I will promptly inform the President of any material change in the information contained in the foregoing statement.

\_\_\_\_\_  
Type/print name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Privacy Notice: The Nebraska Cultural Endowment places the highest priority on protecting the personal information of its Board of Directors. Information provided in this Code of Ethics and Conflict of Interest Disclosure Statement will be used for the sole purpose of insuring that the integrity of the Corporation is not compromised because of a violation of the Code of Ethics or a conflict of interest, either real or perceived. This information will be reviewed by the Executive Director and shared with the President in the event that a potential violation of the Code of Ethics or a potential conflict of interest may arise.