



ETHICS STATEMENT
AAM Core Document

Approval by the Board of Port Wardens
September 8, 2020

Revision History

- **Statement approved, December 19, 2013 by Board of Port Wardens**
- **Use of deaccession funds for Direct Care updated to match the Collections Management Policy following AAM requirements – approved, September 8, 2020.**
- **Accession procedure update to reflect procedures in current Collections Management Policy – approved, September 8, 2020.**

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I. INTRODUCTION

A. General Principles

The Independence Seaport Museum's (**hereinafter "ISM" or "Museum"**) collections, programs, and facilities are a public trust. This must always be recognized by all persons associated with the Museum, but primarily by persons having important responsibilities in formulating or administering policies and procedures governing the Museum. Persons holding such responsibilities have a duty and obligation to preserve and protect this public trust. It is understood that such duty may entail voluntary surrender of certain rights to personal privacy and economic activity; it is the goal of this Ethics Statement to preserve the public trust with the least possible sacrifice of personal rights. Those individuals affected in varying degrees are Port Wardens, Executive Officers, employees, staff, and volunteers of the **ISM (hereinafter "ISM Personnel")**.

All persons associated with the Museum are entitled to engage in the full range of personal and professional activities of their choice, limited by the restraints imposed in this Ethics Statement and the following principles:

1. They shall fully and conscientiously fulfill the duties of their positions in the Museum.
2. They shall avoid conflicts of interest **in accordance with the provisions of this Ethics Statement and ISM's Conflict of Interest Policy (attached hereto)**.
3. They shall not misuse the Museum's name, reputation, property, or services, nor shall they compromise its good will in the community.

While the Museum is a non-profit institution, it is cognizant of the nationwide efforts, especially efforts through the Sarbanes-Oxley Act of 2002, to impose substantial and significant governance standards that increase the responsibilities of public company Boards of Directors oversight in financial transactions and the auditor process. In doing so, the goal is to build and reinforce the public trust in the public corporate community. In keeping with this goal, the Museum has undertaken voluntarily in its Ethics Statement to adopt and incorporate governance best practices engendered by Sarbanes-Oxley.

B. Mission

To explore the relationship between the people of Philadelphia region and the Delaware River and New Jersey watersheds.

The ISM is a non-profit educational institution dedicated to collecting, preserving, exhibiting and making available art, artifacts and archival materials pertaining to the rich maritime history and traditions of the Delaware River, Bay and tributaries, and

interprets general themes relating to civilization and the sea. Both international and national in scope, but regional in emphasis, the Museum is committed to enhancing an appreciation of our maritime heritage, to exploring the impact of this history on the forces of commerce and culture which shaped the region and to fostering an awareness of the continuing role of our waterways in contemporary life.

Through its exhibitions, research library, publications, educational and public programs for diverse audiences, the Museum documents and portrays the maritime influence on the social, cultural, political and economic life of the mid-Atlantic region from the arrival of the earliest European explorers and colonial settlers to the present day. Increasingly, the Museum stresses ecology and the impact of environmental issues on the vitality of the region.

C. Conflicts of Interest

The Museum demands that all of its Museum Personnel conduct themselves with the highest standards of conduct and personal integrity, to comply with all applicable laws and regulations and to conduct business in accordance with the letter, spirit and intent of all relevant laws and refrain from any unlawful, dishonest or unethical conduct. Fundamental to these required standards is the avoidance of any conflicts of interest.

Museum Personnel shall be considered to have a conflict of interest if: (a) such person has existing or potential financial or other interests which impair or might reasonably appear to impair such person's independent, unbiased judgment in the discharge of his or her responsibilities to the Museum, or (b) such person is aware that a member of his/her family (which for purposes of this paragraph shall be a spouse, parents, siblings, children, and any other relative if the latter reside in the same household as the person), or any organization in which such person (or member of his or her family) is an officer, director, employee, member, partner, Trustee, or controlling stockholder, has such existing or potential financial or other interests. All Museum Personnel shall disclose to the Board any possible conflict of interest at the earliest practicable time. No Board Member shall vote on any matter under consideration at a Board or Committee meeting, in which such Board Member has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Board Member having a conflict of interest abstained from voting. Any person who is uncertain whether a conflict of interest may exist in any matter may request the Board to resolve the questions by majority vote.

Failure to comply with these standards will subject violators to discipline, up to and including termination, as well as restitution, where appropriate.

II. COLLECTIONS

A. Management

The Museum is committed to public service. It is both a repository for research materials and an educational facility. It collects, preserves, and presents so that others may study and learn. It meets its responsibilities for making its resources accessible by organizing and cataloging the collections and providing opportunity for their examination. It promotes research and education through its exhibitions and public programs, its loans to and from other institutions, and its own publications and the publications of others.

B. Access

The special nature of the collections -- their rarity, uniqueness, age, fragility, and susceptibility to loss and rearrangement -- requires that special precautions be taken for their security. The Museum reserves the right to make some material available only in facsimile form or restrict accessibility altogether in certain cases.

It is the responsibility of the **Museum** to create and maintain internal records, to supply bibliographical information for external records, and to provide information and instruction on the uses of all finding aids for its collections.

Although the public must have reasonable access to the collections on a nondiscriminatory basis, the Museum assumes as a primary responsibility the safeguarding of materials and therefore must regulate access to them. Nevertheless, the library and curatorial staffs are available to assist the general public within regularly maintained hours of Museum operations.

Public access is limited to the monitored reading rooms and galleries, which are open to members and non-members under fees and restrictions determined by the Museum. Storage areas are off-limits to the general public. Access to the Museum collections in storage may be arranged by prior appointment at the discretion of the Librarian and Curator.

The Staff is authorized to deny anyone further access to collections in the event of carelessness or suspicious treatment and to search belongings of the members and the public within the limits of the law.

C. Incoming and Outgoing Loans

The **ISM** makes loans from its collections to other non-profit museums and to historical and government agencies subject to the conditions stated in ISM's Collections Policy, **as well as makes like loans from other non-profit museums and historical and government agencies.**

D. Preservation

It is the Museum's responsibility to preserve its resources from loss or destruction; to maintain the collections in a manner which preserves both the aesthetic and informative integrity of the objects; to conserve selected materials which are in danger of future deterioration; to conserve damaged items considered to be significant to the collections; and when practical, to replace items when there is irreparable damage or danger of irreparable damage. The Museum is committed to a program of preservation based on a systematic survey and analysis of the collections.

As a minimum requirement of preservation, all of the collections are to be protected from loss through environmental or human causes: heat, cold, moisture, dryness, fire, dust, vermin, light, careless handling and theft to the best ability of the Museum given the resources available. The **ISM's** exhibition, storage and work areas are to be maintained as close as possible to the recommended levels determined by standard conservation practice.

The Museum will adhere to standard conservation practices for fine and decorative arts objects and will rely upon professional conservators to carry out conservation treatments. Recommended standards for conservation treatments and documentation are outlined in the Independence Seaport Museum's Collections Policy.

E. Development of the Collections

1. Acquisition

Establishing policy for the development of the collections of the ISM is the responsibility of the Officers and the Board of Port Wardens (hereafter the Board), who bear a fiduciary responsibility for those materials.

The acquisition, preservation, and presentation or interpretation of objects within the Museum's collections and accessioning are cardinal responsibilities of the President and his staff.

A standing committee of the Board has been authorized and established, to be called the Collections Committee. This Committee has the responsibility of establishing ISM's Collections Management Policy and for authorizing additions to, and removals from those collections.

ISM develops collections through a process of ongoing acquisition and deaccession following the guidelines as found in ISM Collections Management Policy. All collections are organized for maximum research value. Materials (Documents, Artifacts, Art, & Photographs) that relate to a given entity, topic, or subject will be presented holistically with due regard to provenance and natural order.

ISM acquires items for the collections by means of donation, purchase, exchange or any other transaction by which title to the items passes to ISM.

A legal instrument of conveyance, setting forth an adequate description of the objects and the precise conditions of transfer will accompany all gifts and purchases and will be kept on file at the Museum.

Records of accession will be made and retained for all objects in the collections, consistent with professionally accepted standards. These will be maintained by the Curatorial Department.

2. Deaccession

Deaccession is the process by which items are taken out of the collection. This practice is a typical part of collections stewardship and a way for the Museum to refine its collections and not a source of emergency funds.

Once items are deaccessioned from the collection they are then divested from the Museum's holdings by means of sale, exchange, transfer, donation, or witnessed destruction solely for the advancement of the Museum's mission. Preference is given to a disposal method that benefits another collecting institution, represents the intent of the acquisition, and provides that a removed divested item remains accessible to the public.

As a result of changing historical perspectives, the acquisition of superior examples of a class of artifacts already represented, and redundancies which may become apparent in the collection, it will, from time to time, be desirable to remove certain objects from the collections. Such removals will only be undertaken as a part of an ongoing refinement of the collection, and not as a source of emergency funds.

All monies generated through the deaccessioning of objects from the collection will be placed in an account designated Named Deaccession Funds [NDF] and restricted to the acquisition of artifacts or direct care collection projects, crediting the purchase fund or donor credit lines on exhibition/storage labels, ISM's records, including Online Catalog entries. The donor is credited as a funder, "by exchange."

Access to Funds –

- The application of Named Deaccessioned Funds is proposed by the Chief Curator or Curator of Historic Ships and approved by the President, Comptroller/CFO, Collections Committee for acquisitions or direct care projects.

Acquisitions using Funds

- A purchase proposal includes an artifact description and the donor funds to be used. Standard procedures for acquisition outlined in Section-III-Collections Development is used in tandem with Named Deaccession Fund guidelines.

Direct Care Projects using Funds

- A Direct Care Project proposal includes the description of the project and the donor funds to be used describing how credit will be displayed. Sample credit lines: "The protective storage housing/framing for this artifact/collection was made possible by (*donor's name*) through exchange," or "Restoration/Conservation of this artifact was made possible by (*donor's name*) through exchange."
- The following criteria is used in the selection of Direct Care Projects:
 - Investments into existing collections that enhancing their life, usefulness and/or quality through conservation treatment and storage housing improvements.
 - Conservation treatments following the criteria listed in Section-IV-Collections Care.
 - Projects that improve the storage environment in immediate proximity to artifacts in relation to a specific collection as an identifiable preservation project that can be credited to the donor.
 - Projects include housing fixtures such as boxes, folders, padding, textile tubes, etc.
 - Painting and drawing archival (re)framing or book binding projects that provide protective permanent housing.
 - Direct care does not include institutional operating expenses, salaries, or facilities improvements and maintenance.

F. Appraisals

Curators, Port Wardens, and others involved in gifts of art objects to the Museum should be familiar with IRS Publication 526 dealing with the valuation of donated property, especially as concerns the material relating to charitable gifts of objects and the appraisal requirements as described in the instructions to IRS Form 8283. The Museum will complete the donor acknowledgment section of IRS 8283 donor request.

The donor of an object to the Museum must secure his/her own appraisal at his/her expense. Upon the donor's request, the Museum will provide a list of appraisers (more than one) to the donor. The Museum shall avoid any action that might appear to be an effort to assist the donor in securing an improper income tax deduction.

The Museum cannot provide the donor with an appraisal for income tax or estate tax purposes. For internal record-keeping purposes, however, the Museum may hire an outside appraiser to establish its own valuation for various purposes.

G. Commercial Use

In arranging for the manufacture and sale of replicas, reproductions, or other commercial items adapted from an object in the Museum's collections, all aspects must be carried out in a manner that will neither discredit the integrity of the Museum nor trivialize or damage the original object. With regard to the question of reproduction of works of art, awareness of the nature and relative importance of replicas and reproductions is a central issue. Therefore, great care must be taken to identify such objects for what they are in a manner that will be permanent and ensure the accuracy and high quality of their manufacture.

H. Truth in Presentation

It is the responsibility of Museum professionals to present the best current information about the objects the Museum displays. This forms a part of the primary charge of the Museum to preserve significant materials unimpaired for the future. Therefore, intellectual honesty and objectivity in the presentation of objects is the duty of every museum professional.

III. GOVERNANCE

A. Board of Port Wardens

1. General Responsibility

The Board of Port Wardens of the Independence Seaport Museum (**hereinafter "Board"**) is the governing body of the institution. As such, it serves the public interest as it relates to the Museum, and is accountable to the public as well as to the institution. In most cases the Board acts as the ultimate legal entity for the Museum, and is responsible for making and maintaining its general policies, standards, condition, and operational continuity. Port Wardens must be loyal to the purpose of the Museum, and must understand and respect the basic documents that provide for its establishment, history, character and governance.

Each **Board** Member must devote time and attention to the affairs of the Museum and ensure that the Museum, its governing board **and all other Museum** Personnel act in accordance with the Museum's Articles of Incorporation and By-Laws, **policies** and with applicable state and federal laws. **Board** Members must ensure that no policies or activities jeopardize the basic nonprofit status of the Museum, or reflect unfavorably upon it as an institution devoted to public service.

Board Members must not attempt to act in their individual capacities. All actions must be taken as a board, committee, or subcommittee, or otherwise in conformance with the bylaws or applicable resolutions. **Board** Members with special areas of interest

within the Museum must understand that advocacy for those interests should be advanced only within the framework of the Museum's interests as a whole.

Board Members must maintain Museum information in confidence when it concerns the administration or activities of the Museum and when it is not generally available to the public. This does not preclude public disclosure of information that is properly in the public domain, or information that should be released in fulfilling the Museum's accountability to the public.

2. Specific Responsibilities

a. Financial Oversight

Board Members hold the ultimate fiduciary responsibility for the **Museum** and for the protection and nurturing of its various assets: the collections and related documentation, the plant and financial assets. They must develop and define the purposes and related policies of the institution, and ensure that all of the Museum's assets are properly and effectively used for public purposes.

b. Collections Oversight

The Board has strong obligations to provide the proper environment for the physical security and preservation of the collections, and to monitor and develop the financial structure of the Independence Seaport Museum so that it continues to exist as an institution of vitality and quality.

In carrying out the duty to the collections, the **Board Members** are responsible for maintaining and updating, as needed, The Collections Policy that was adopted on December 19, 2013 and any amendments made after that date, governing use of the collections, including acquisitions, loans and the disposal of objects. In formulating policies covering the acceptance of objects or other materials as gifts and loans, the **Board Members** must ensure that the Museum understands and respects the restrictions, conditions and all other circumstances associated with gifts and loans.

c. Oversight of the President

A responsibility of the governing Board is the hiring of the Chief Executive Officer/**President** of the Museum and the concurrent evaluation of the CEO **and other Museum Executives** in relation to the responsibilities outlined in **their respective** contracts.

3. **Avoidance of Conflict of Interest**

Individuals who are knowledgeable in fields related to Museum activities can be of great assistance to the Museum, but conflicts of interest or the appearance of such conflicts may arise because of these interests or activities.

An **ISM Board Member** must conduct all of his or her activities, including those relating to persons or businesses with whom the **Board Member** is closely associated, in such a way that no conflict will arise between the other interests and the policies, operations or interest of the Museum. The appearance of such conflict should also be avoided. **(See Part I. C. above).**

Staff members, other than the **CEO/President** should not serve as **Board Members** since **Board Members** create and vote on policy affecting staff interests as a whole.

a. Disclosure Statement

Museum **Board Members** should file with the Board a statement disclosing their personal, business, or organizational interests and affiliations and those of persons close to them that could be construed as being Museum related. Disclosure statements should be updated annually or whenever significant changes occur.

b. Self-interest

Charges of self-interest at the expense of the institution and charges of personal use of privileged information arises whenever a Port Warden, a member of his or her family, or a close associate personally collects objects of a type collected by the Museum. The **ISM** governing Board must clearly state its policy regarding such personal collections to ensure that no Port Warden competes with the Museum for objects; that no Port Warden takes personal advantage of information available to him or her because of his or her Board membership; and that, should conflict develop between the needs of the individual and the Museum, those of the Museum will prevail.

c. Personal Collecting

No Museum Board Members shall acquire property deaccessioned from the museum's collections, nor shall they personally profit from any transaction involving the sale or exchange of collections.

d. Staff Assistance

When **ISM** Port Wardens seek staff assistance for personal needs they should not expect that such help will be rendered to an extent greater than that available to a member of the general public in similar circumstances or with similar needs.

e. Board Voting

Whenever a matter arises for action by the Board, or the Museum engages in an activity where there is a possible conflict or the appearance of conflict between the interests of the Museum and an outside or personal interest of a **Board Member** or that of a person close to him or her, the outside interest of the **Board Member** must be **disclosed and** made a matter of record. If the **Board Member** is present when a vote is taken in connection with such a question the **Board Member** should abstain. In some circumstances, the **Board Member** must avoid discussing any planned actions, formally or informally, where there might appear to be personal benefit. If a case arises in which neither disclosure nor abstention appears to be sufficient, the only appropriate solution may be resignation.

f. Confidentiality

An **ISM Board Member** should not take advantage of information he or she receives during service to the institution if personal use of such information could be financially detrimental to the Museum or the collecting mission of the Museum. Any such actions that might impair the reputation of the Museum also must be avoided. When a **Board Member** obtains information that could be of personal benefit, he or she must refrain from action until all issues have been reviewed by an appropriate representative of the Museum.

g. Material Advantages

Board Members serve the **Museum** and its public. They should not attempt to derive any personal material advantages from their connection with the Museum. **Board Members** must use Museum property only for official purposes, and makes no personal use of the Museum's collection, property, or services in a manner not available to a comparable member of the general public.

4. The **Board Member** - President Relationship

Board Members have the obligation to define the limits, powers, and duties of the President of the **ISM**. They must work with the President, who is their Chief Executive Officer, in all administrative matters, and deal with him or her openly and with candor. They should avoid giving directions to, acting on behalf of, communicating directly with, or soliciting administrative information from staff personnel, unless such actions are in accord with established procedure or the President is apprised. Staff members **should attempt to** communicate with **Board Members** through the President or with the President's knowledge, but **may communicate directly with Board Members, or the Governance Committee so created by the Board, when reporting suspected unlawful, fraudulent, deceitful or other inappropriate activities relating to the Museum. In accordance with the Whistle-Blower Policy detailed below, any such person who so**

communicates shall not be punished, or subjected to retaliation or retribution for so communicating.

The **Board Members** must act as a full Board in appointing or dismissing a President, and the relationship between President and Board must reflect the primacy of institutional goals over all personal or interpersonal considerations. The President should attend all Board meetings and important committee meetings except as defined in Museum policy.

The President has an obligation to provide the Board **monthly** with current and complete financial information **and Museum financial** transactions in comprehensible form; to bring before the Board any matters involving policy questions not already determined; and to keep them informed on a timely basis of all other significant or substantial matters or intended actions affecting the institution.

The President carries out the policies established by the **Board**, and adheres to the budget approved by the Board. Whenever it is necessary to deviate from established policies or to alter or exceed budget guidelines, the President should notify the Board in advance **for Board approval**.

B. Museum Staff/Employees

1. Avoidance of Conflict of Interest

Museum **Personnel, Museum Staff/Employees** must never abuse their official positions or their contacts within the museum community, compete with the Museum, or bring discredit or embarrassment to the Museum or to their profession in any activity, museum related or not. They must be prepared to accept the restrictions that are necessary to maintain public confidence in museums and in the museum profession. The terms and restrictions listed in this Ethics Statement, as well as the reporting procedures and conditions of enforcement, must be read and clearly understood by all **Museum Staff/Employees**, contractors, interns, volunteers and vendors doing business with the **Museum**.

2. Gifts, Favors, Discounts, Dispensations

The **Museum** is committed to ethical principles in all relationships with business suppliers.

a. Acceptance of Gifts

Museum **Staff/Employees** and others in a close relationship to **any of them** must not accept gifts, favors, loans, or other dispensations or things of more than trifling value from businesses, professionals, or others that are available to them in connection with their duties for the Museum. Gifts of trifling value are deemed to be those novelty

items with advertising identification affixed to them and a value of less than \$25. Gifts include discounts on personal purchases from suppliers who sell items or furnish services to the Museum, except where such discounts are regularly offered to the general public. Gifts can also include offers of outside employment or other advantageous arrangements. Gifts in questionable taste must be declined in all instances, regardless of cost or value.

b. Giving of Gifts

Likewise, Museum **Staff/Employees** and others in a close relationship to **any of them** must not give gifts, favors, loans, or other dispensations or things of more than trifling value to businesses, professionals, or others that are available to them in connection with their duties for the Museum. Gifts of trifling value are deemed to be those novelty items with advertising identification affixed to them and a value of less than \$25. Gifts may not include discounts on personal purchases from the Museum store, except where such discounts are regularly offered to the general public. Gifts may not include offers of employment with the Museum or other advantageous arrangements. Gifts in questionable taste must not to given.

c. Business Travel Gifts

Meals, accommodations and travel services while on official business should not be accepted except when it is clear that acceptance of such services will not compromise the professional judgment of the staff member or the reputation of the Museum.

3. Responsibility to Museum Property, Real and Intangible

Museum Staff/Employees shall not use, off Museum premises or for personal gain, any object or item that is a part of the Museum's collection or under the guardianship of the Museum; or use any other property, supplies or resources of the Museum except for the official business of the Museum. The name and reputation of this Museum are valuable assets and must not be exploited either for personal advantage or the advantage of any other person or entity.

Information about the administrative or non-scholarly activities of the Museum that **Staff/Employees** may acquire in the course of their duties which is not generally known or available to the public must be treated as information propriety to the Museum. Such information must not be used for personal advantage or other purposes. **Museum Staff/Employees** are responsible for maintaining the security of confidential records and information, and the privacy of individuals or groups who support the Museum.

Museum Staff/Employees must be circumspect in referring members of the public to outside suppliers to the Museum. Whenever possible, more than a single qualified source must be named in order to avoid the appearance of personal favoritism in referrals.

4. Outside Employment

Certain types of outside employment, including teaching, lecturing, writing, and consulting can benefit both the Museum and the **Museum Staff/Employees** by stimulating personal professional development. Such activity must not interfere with the **their** regular duties, and the individual must not take advantage of his/her Museum position for personal gain or appear to compromise the integrity of the Museum.

Museum Staff/Employees must recognize that when an outside activity is directly related to his/her regular duties for the Museum, (s)he should discuss with his/her manager all aspects of that activity, including but not limited to, the amount of time such activity involve. **Museum Staff/Employees** must complete a disclosure form outlining the details of the outside employment, if it is related to the function (s)he performs for the Museum.

In order to avoid any appearance that outside employment is related to the **Museum Staff/Employee's** function at the Museum, the name of this Museum and the **Staff/Employee's** connection with it must not be used in connection with outside employment. Certain types of employment can create potential ethical problems for the Museum since staff are often considered representatives of the Museum regardless of disclaimers made to the public. For this reason, appraisals or authentication may not be performed by Museum **Staff/Employees** in any capacity

Ownership of any materials written, designed or produced, and financial remuneration for the sale or lease of such materials created while the **Museum Staff/Employee** is paid by the Museum and is on official Museum time, is the property of the Museum (see Management Section, "Ownership of Scholarly Materials"). Therefore the **Museum Staff/Employee** must discuss with his/her manager the ownership of or remuneration for materials created outside of the regular staff time before (s)he begins working on such materials.

5. Outside Volunteer Activities

Museum Staff/Employees are encouraged to participate in voluntary outside activities with community groups or public service organizations. If **(s)he** volunteers for an organization or museum and (s)he could appear to be acting in an official capacity as a member of the Museum staff, disclosure is recommended to avoid possible misrepresentations. Museum professionals must conduct themselves so that their activities on behalf of community or public service organizations do not reflect adversely on the reputation or integrity of this Museum.

When Museum **Staff/Employee** speaks out on a public issue, (s)he must make sure to do so as an individual. It is important to avoid the appearance of speaking or acting in an official capacity or on the Museum's behalf.

6. Personal Collecting by Staff/**Employees**

The acquiring, collecting, and owning of objects is not in itself unethical, and can enhance professional knowledge and judgment. However, the acquisition, maintenance and management of a personal collection by Museum **Staff/Employees** may cause ethical questions. Extreme discretion is required whenever a **Staff/Employees such person** collects objects similar to those collected by this Museum.

Museum Staff/Employees may not compete with **the Museum** in any personal collecting activity.

Museum Staff/Employees may not use his/her Museum affiliation to promote his/her or an associate's personal collecting activities.

Museum Staff/Employees may not participate in any dealing (buying and selling for profit as distinguished from occasional sale or exchange from a personal collection) in objects similar or related to the objects collected by the Museum.

7. Responsibility to the Collection

No Museum Staff/Employees shall acquire property deaccessioned from the museum's collections, nor shall they personally profit from any transaction involving the sale or exchange of collections.

C. Volunteers

Volunteers have played an active and important role in the Museum for over thirty years. It is incumbent upon the paid staff to be supportive of volunteers, receive them as fellow workers, and willingly provide them with appropriate training and opportunity for their intellectual enrichment.

Volunteers have a responsibility to the Museum as well, especially those with access to the Museum's collections, programs and privileged information. Access to the Museum's inner activities is a privilege and the lack of material compensation for effort expended on behalf of the Museum in no way frees the volunteer from adherence to the standards that apply to paid staff. Volunteers must work toward the betterment of the institution and not for personal gain other than the natural gratification and enrichment inherent in museum participation.

D. **Audit Committee**

Each Member of the Museum's Audit Committee shall be a Board Member and shall be "independent". Independent as used here means that the Audit Committee Members are not to be part of the Museum's management team and not receiving

any compensation (either directly or indirectly) from the Museum as a consultant for other professional services, though Board services may be compensated.

The primary function of the Audit Committee is to assist the Board in its oversight responsibilities. The Committee's principal activities will include:

- Oversight of the Museum's business risk assessment;
- Oversight of the Museum's grant activity;
- Oversight of the Museum's internal control structure;
- Review of the Internal Audit Department;
- Selection and retention of independent auditor's;
- Review of the annual audit plan; and
- Oversight of the Museum's financial reporting.

The Audit Committee will:

- Review with management, the internal auditor and the independent auditor the adequacy and effectiveness of the Museum's business, financial and information system controls, and recommendations for establishing new or enhanced controls and procedures.
- Consider the nature and disposition of relevant comments relating to weaknesses in the internal control structure appearing in the independent auditor's letter of recommendation, the reports of the Museum's internal auditor and audit, and reports of other organizations and government agencies.
- Review the Museum's conflict of interest policy and the Museum's monitoring of compliance therewith
- Review policies and procedures with respect to senior management expense accounts and perquisites, including their use of Museum assets. Review audits of these areas.
- Be responsible for the selection and reappointment of the Independent Auditor. Such independent auditor is ultimately accountable to the Board and the Audit Committee.
- Approve the compensation of the Independent Auditor and pre-approve any non-auditing services provided by the Independent

Auditor. The Committee may delegate pre-approval authority to the Chairman subject to later review by the Committee. Such pre-approval of non-audit services is to be disclosed to the Board at each Board meeting and disclosed in the Museum's annual report.

- **Provide oversight of the performance of the independent auditor and, where appropriate, require that the auditor or lead auditor partner be rotated at least every five years.**
- **Obtain annually from the independent auditor a formal written statement describing all relationships between the auditors and the Museum. The Committee shall actively engage in a dialogue with the independent auditor with respect to any relationships that may impact the objectivity and independence of the auditor and shall take, or recommend that the Board take, appropriate actions to oversee and satisfy itself as to the auditor's independence.**
- **Assure that there is no exchange of staff between the auditor and the Museum.**
- **The Committee will meet with the independent auditors prior to each annual audit to discuss:**
 - **The independent auditor's responsibilities under generally accepted auditing standards;**
 - **The general nature of the audit procedures to be performed;**
 - **The extent of reliance on the internal auditors;**
 - **Any significant audit problems anticipated;**
 - **The impact on the financial statements of any new or proposed changes in accounting principles; and**
 - **Significant reporting deadlines.**
- **Review with management and the independent auditor the Museum's annual financial statements, critical accounting policies and significant accounting and reporting issues underlying those statements, including the quality of the accounting principles applied and judgments made affecting the Museum's financial statements.**
- **Review with the independent auditor the scope and results of their examination of the Museum's financial statements and any other matters related to the conduct of the audit which should be**

communicated to the Committee under Generally Accepted Auditing Standards.

- Review with management and general counsel any legal matters (including the status pending litigation) that may have a material impact on the Museum's financial statements, and any material reports or inquiries from regulatory or governmental agencies.
- Resolve differences between Museum Management and the Independent Auditor regarding financial reporting.

The Committee and its Chair shall be appointed by the Board and shall consist of at least ___ members, all of whom shall be financially literate and one of whom shall have accounting or financial management expertise. Audit Committee Members may not receive, directly or indirectly, consulting fees or other compensation from the Museum, or be affiliated with the Museum.

The Committee shall meet at least twice a year to:

- Approve the selection or reappointment of the Independent Auditor and review the annual audit plan
- Review the annual financial report and the results of the audit.
- At these meetings the Committee will meet with the Museum's internal auditor, the independent auditor, and relevant members of Management. At its discretion, it may meet with each in separate, private sessions. Additional meetings may be scheduled as required.

The Audit Committee will:

- Provide an open avenue of communications between the Museum's internal auditor, the independent auditor, and the board.
- Report Committee actions to the Board with such recommendations as the Committee deems appropriate
- Establish and maintain in conjunction with the Governance Committee procedures for treatment of complaints (disclosures) regarding questionable accounting or auditing matters and other financial improprieties.
- Assure appropriate public disclosure of the Museum's Financial Statements

- **Review and assess the Committee's charter annually and recommend any proposed changes to the Board for approval**
- **Assist the Board in fulfilling their oversight responsibilities for legal compliance**
- **The Audit Committee shall have the power to conduct or authorize investigations into matters involving errors and irregularities or any other matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist in the conduct of investigations**
- **In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Museum and the power to retain outside counsel, or other experts for this purpose.**
- **The Committee will perform such other functions as assigned by law, the Museum's Bylaws, or the Board.**

IV. GENERAL POLICIES

A. **Certified Financial Statements**

The Museum's chief executive and chief financial officers must certify the appropriateness of any accuracy of financial statements and that they fairly present the financial conditions and operations of the Museum. They are also to ensure that financial statements are completed and, if required, filed. Board Members are to review and approve financial statements.

B. Professionalism

Members of the Museum's administration and its governing entities should respect the professional expertise of the Staff, who have been engaged because of their special knowledge or ability. Museum governance should be structured so that the resolution of issues involving professional matters incorporates the opinions and professional judgments of relevant members of the Museum Staff. Responsibility for the final decisions rests with the Museum's administration.

C. Personnel Practices and Equal Opportunity

In all matters relating to staffing practices, the standard must be ability in the relevant discipline. In these matters, as well as in **Board Member** selection, management practices, volunteer opportunity, collection usage, and relationship with the public at large, decisions must not be made on the basis of discriminatory factors such as race, color, creed, sex, age, handicap, or personal orientation.

D. Interpersonal Relationships

Professional Museum workers must always be dedicated to the standards and discipline of their profession, but they must also remain mindful that they are employees as well as independent experts. While they strive for professional excellence in their own specialty, they must at the same time remember that they are part of a team effort and must cooperate supportively with their colleagues.

E. Inter-institutional Cooperation

The Museum, in its goal of contributing to the preservation of humanity's cultural heritage and the increase of knowledge, must respond positively to the opportunities for cooperative action with other maritime museums and other institutions locally, nationally and internationally to further these goals.

F. Ownership of Scholarly Material

Museum Staff/Employees are encouraged to write and publish both for the Museum and on their own. If a staff member engages in these activities it is incumbent upon them to notify their supervisor.

Ownership of copyright rests with the Museum on all material prepared as 1) part of the normal duties of the staff member or 2) specially contracted, unless exceptional arrangement is made prior to publication.

Ownership of copyright for works done on the staff member's own time remains his/her possession, but such work must satisfy the outside employment guidelines.

G. Use of Museum Property and Services

No person may use the Museum's collection, facilities, personnel, or services in any non-Museum matter or context without the express prior consent of the President.

H. Fundraising Practices

Fundraising is a vital component of the financial health of any Museum. **Museum Staff/Employees** and volunteers involved in raising monies or soliciting other contributions or gifts-in-kind on behalf of the Museum must do so with honesty as to the need for such contributions and must use donations only for the donor's intended purposes. **Museum Staff/Employees** and volunteers must hold confidential and leave intact all lists, records and documents acquired in connection with their fund raising efforts on behalf of the Independence Seaport Museum.

I. Museum Shop and Commercial Activities

The Museum Shop and other activities in the Museum, as well as publicity relating to them, should be in keeping with the Museum's mission, should be relevant to the collections and basic educational purposes of the Museum, and should not compromise the quality of those collections. In arranging for the manufacture and sale of replicas, reproductions or other commercial items adapted from an object in the Museum's collection, all aspects of the commercial venture must be carried out in a manner that will not discredit either the integrity of the Museum or the intrinsic value of the original object. Great care must be taken to identify permanently such objects for what they are, and to ensure the accuracy and high quality of the manufacture. They should represent good value for money and comply with all relevant national legislation.

V. PROGRAMMING

A. Programs

The Museum serves the public by advancing an understanding and appreciation of our shared cultural heritage. Exhibitions, scholarship, publications, and educational programs, public events and other activities must further advance the institution's mission and be responsive to the concerns, interests, and needs of Delaware River and Bay area residents.

The Museum is committed to insure that:

- Programs support its mission and remain responsive to the interest and concerns of the Delaware River and Bay region
- Programs are intellectually responsible, founded on scholarship, and consistent with current knowledge
- Programs are accessible and encourage participation of the widest possible audience consistent with our mission and resources
- Programs respect cultural diversity of region, pluralistic values, traditions, and concerns
- Revenue-producing activities and those that involved relationships with outside organizations are compatible with the mission of the Independence Seaport Museum and support its public trust responsibilities
- Programs promote the public good rather than individual financial gain.

VI. WHISTLE-BLOWER PROTECTION

Whistleblowers and others who make protected disclosures in good faith of improper conduct, financial or other improprieties relating to the Museum shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including, but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by the Museum. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance-related factors.

Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Governance Committee.

Whistleblowers frequently make their reports in confidence. To the extent possible within the limitations of law and policy and the need to conduct a competent investigation, confidentiality shall be maintained. Whistleblowers should be cautioned that their identity may become known for reasons beyond the control of the Museum investigators or administrators. Whistleblowers should be prepared to be interviewed by a Museum investigator. If there is a self-disclosure, the Museum is no longer obligated to maintain confidentiality.

The identity of the subject(s) of the investigation shall be maintained in confidence subject to the same limitations.

VII. DOCUMENT RETENTION POLICY

All Museum books, records, accounts, contracts, correspondence, emails and the like must be maintained so as to reflect fairly accurately the Museum's business and transactions in reasonable detail. Attached hereto is a schedule of minimal document retention requirements. In the event of a suspected or actual investigation, there shall be no purging of documents.

VIII. COMPLIANCE

Compliance with this statement of ethics is mandatory for all Museum personnel. Violations of this code constitute serious breaches of the employer-employee relationship. Enforcement of this code is the joint responsibility of the President, senior executives and departmental supervisors. If an employee is observed violating, or is suspected of violating the code of ethics, it is the responsibility of the employee's immediate supervisor to bring it to the attention of the President. It is the responsibility of the President to impartially investigate the matter, and, if cause is found, to determine appropriate disciplinary action. Depending upon the severity of the violation, disciplinary actions may range from verbal censure to termination of employment.

IX. PROMULGATION

A. **Board Members**

Upon nomination to the Board of Port Wardens, the nominee will be provided with a copy of the Ethics Statement and required to read and understand it thoroughly. In order to be presented for election to the Board, and, having read the Ethics Statement, the nominee is required to sign the attached disclosure form. All **Board Members** are required to abide by the Ethics Statement.

B. Staff

As a condition of employment, each employee will be provided with a copy of the Ethics Statement, required to read and understand it thoroughly and sign the attached disclosure form. The signed disclosure form becomes part of the employee's permanent personnel file.

X. DISCLOSURE STATEMENT

I have carefully reviewed the Independence Seaport Museum's Ethics Statement - the following disclosures need to made:

1. Activities and financial interests that I have had during this year, or presently have, or plan to have in the future which might create or be viewed as a possible conflict of interest, are listed below:

(If none, please indicate.) Should a conflict arise in the future, I will complete an updated disclosure statement.

2. Personal, business, and organizational interests and affiliations which could be construed as being related to the maritime interests of the Museum: (If none, please indicate.)

3. Indicate any current or future personal collections or selling activities which may conflict with the Museum's collections policy. (If none, please indicate.)

4. Outside employment, consulting, teaching, lecturing, writing which are related to the maritime field: (If none, please indicate.)

XI. AFFIRMATION OF THE INDEPENDENCE SEAPORT MUSEUM'S CODE OF ETHICS

I have read the Ethics Statement of the Independence Seaport Museum in its entirety and hereby affirm that I understand its contents and will adhere to its guidelines. Additionally I have filled out the disclosure statement in section X and will update it in the coming year as necessary.

Name

Date

[Note: Portions of this Ethics Statement were drafted from Writing a Museum Code of Ethics which was published by the American Association of Museums in 1992 - particularly sections from codes written by the Missouri Historical Society, Museum of Science (Boston), and the Detroit Institute of Arts. **Also, thank you to the National Council of Nonprofit Associations, the Pennsylvania Association of Nonprofit Organizations, the Maryland Association of Nonprofit Organizations, the Council of**

Community Services of New York State, Inc., Independent Sector and BoardSource and Drexel University materials from which portions of the foregoing have been resourced, adopted and drafted.]

INDEPENDENCE SEAPORT MUSEUM CONFLICT OF INTEREST POLICY

Until such time as this policy is amended or revoked by the Board of Directors, no Director nor any Officer nor any management staff member of Independence Seaport Museum shall knowingly:

1. Permit Independence Seaport Museum to enter into a contract or transaction with a Director or Officer or management staff member, other than, in the case of an employee, those normally incident to employment;
2. Permit Independence Seaport Museum to enter into a contract or transaction with an entity in which the Director or Officer or management staff member has a financial interest or other substantial personal interest; or
3. Vote or actively participate in a decision to transact business with an entity in which the Director or Officer or management staff member has a financial interest or other substantial personal interest; unless

the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors.

In accordance with the foregoing, the President and/or Officers and/or management staff members of Independence Seaport Museum shall have an obligation to make timely disclosure in writing to the Board of Directors of any person to whom they are closely related or organization in which they have a financial interest or other substantial personal interest who or which presently transacts business with Independence Seaport Museum or may reasonably be expected to do so in the next year. Each disclosure shall be updated and resubmitted on at least an annual basis when appropriate.

A financial interest or other substantial personal interest with an organization will be considered to exist when a Director or Officer or management staff member or a member of his or her immediate family or close relative is an officer, director, trustee, partner, employee or agent of an organization or owns 5% or more of the voting stock or controlling interest in an organization or has any other substantial interest or dealings with the organization.

During the final discussion and/or vote by the Board of Directors relating to a possible conflict of interest pursuant to this policy, any person with a possible conflict of interest shall absent himself or herself from the room during that discussion or vote.

This policy shall supplement, and not replace, the conflict of interest provisions of the Museum, the Museum Ethics Statement, bylaws, and any relevant existing policies of the Museum.

I acknowledge that I have received a copy of the foregoing Independence Seaport Museum Conflict of Interest Policy, that I have read the same, and that I shall comply with its provision in all respects.

Date

TABLE OF MINIMUM DOCUMENT RETENTION PERIODS

<u>TYPE OF DOCUMENT</u>	<u>MINIMUM REQUIREMENT</u>
Accession and Deaccession Records	Permanently
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Conveyance Instruments	Permanently
Contracts	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Donations and Gift Documentation	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years

TYPE OF DOCUMENT**MINIMUM REQUIREMENT**

Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Withholding tax statements	7 years