



MIC3

MILITARY INTERSTATE
CHILDREN'S COMPACT
COMMISSION

Interstate Compact on Educational Opportunity for Military Children

POLICY GUIDE

Updated October 2022

Introduction

The following documents are the administrative policies of the *Military Interstate Children's Compact Commission* (MIC3) regarding the *Interstate Compact on Educational Opportunity for Military Children*. These policies are enacted to ensure accountability and clarity regarding MIC3 business.

Should you have any questions regarding these policies, please contact the national office at mic3info@csg.org.



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1-2014 Travel and Reimbursement Guidelines

Issued: August 11, 2014

Revised: August 15, 2019; April 20, 2018; June 15, 2017; October 3, 2016

I. GENERAL INFORMATION

- A. Personnel traveling on authorized MIC3 business are expected to retain all receipts (BOTH itemized and credit card receipts) and submit them with their expense form.
- B. For Annual Business Meetings (ABM), MIC3 will reimburse the Compact Commissioner, Designee or Proxy for: ground transport or mileage to/from the departure airport; airport parking fees; airfare and standard baggage fees; ground transportation (taxi or shuttle) to the hotel/lodging; and meals (no alcohol).
 - 1. ABM hotel/lodging days (authorized for the meeting) will be billed directly to MIC3's account.
 - 2. The traveler will be charged directly by the hotel for any dates that are outside (prior to or post-meeting) of the authorized meeting dates.
 - 3. MIC3 will not reimburse incidental charges such as entertainment, personal phone calls, and in-room snacks or bar purchases.
- C. If traveling on other MIC3 business, the Executive Director will confirm the logistics and reimbursable expenses with the traveler prior to travel.

II. RECEIPTS

- A. All receipts submitted for reimbursement must be itemized and notated with the item(s) being claimed. A credit card receipt with just an amount is not reimbursable.
- B. Meals: a minimum, maximum nor per diem is not specified, however actual and 'reasonable' meal expenses (including gratuities) will be reimbursed.
- C. Alcohol: is not reimbursable and should be deleted from any receipt and the amount adjusted accordingly. If possible, separate any alcohol expenses from your meal expense.
- D. Hotel/lodging: the invoice must include the name/location of hotel, guest name(s), date(s) of stay, and a breakdown of charges for lodging, meals, telephone, and any incidentals.
- E. Tips: It's understood that tips (hotel housekeeping, etc.) are discretionary and a receipt may not be available. These expenses may be claimed on the expense reimbursement form under "Other" with the type of tip (baggage, housekeeping, etc.).

III. AIR TRAVEL

- A. Travelers are required to book air travel a minimum of 30 days prior to the date of travel.
- B. MIC3 will only reimburse for coach/economy-class airfares. First-class travel is allowed only when the fare is no higher than the coach/economy-class airfare or if a participant opts to use frequent flyer points for a first-class upgrade.
- C. Flights costs are automatically authorized up to \$700. You must obtain approval from the Executive Director to exceed this amount.
- D. Fees not authorized include:
 - 1. Ticket change fees — Extenuating circumstances may be considered.
 - 2. Excess baggage fees — Standard fees are authorized.
 - 3. Seat upgrade charges

IV. USE OF A PRIVATELY-OWNED VEHICLE (POV)

- A. Rate. The current reimbursement rate for a privately-owned vehicle is based on the IRS standard business mileage rates at the time of travel.
- B. When using a personal vehicle, the maximum reimbursement for all travel expenses will be calculated as follows:
 - 1. The maximum, including mileage, tolls, and lodging, is limited to no more than the normal expenses that would have been incurred if commercial air had been used.
 - 2. A valid airfare cost comparison must be submitted with the travel voucher. The cost comparison must be obtained at least THREE weeks prior to the departure date of the trip. If the traveler must take a last-minute trip (inside three weeks of the departure date), then the cost comparison must be run on the day it is determined the trip must be made, and this explanation must be given on the travel voucher.
 - 3. The national office reserves the right to conduct their own cost comparison should it be required.
- C. Documentation (map)
 - 1. 0 to 100 miles — Odometer reading and/or a map showing miles coinciding with the dates of travel.
 - 2. Greater than 100 miles — A map showing miles coinciding with the dates of travel is required.
 - 3. Greater than 500 miles — A map showing miles and documentation of the public carrier rate coinciding with the dates of travel is required.
- D. Gas is not reimbursable when using a POV.
- E. Note: Travelers are responsible for any traffic tickets/citations issued while traveling in a POV or a rental car on MIC3 business. MIC3 is not liable for any accidents or damage resulting from travel associated with MIC3 business.

V. CAR RENTAL

- A. Is not an approved method of transport unless prior authority has been granted and it can be shown that it is a cheaper or comparable method of transport than air.
 - 1. Rental charges should be net of any discounts and will be limited to the rental cost of compact or standard size cars.
 - 2. Valet parking — the traveler shall attempt to utilize self-parking if available. Valet may be allowable if there is no other option available or it has been discounted to the rate of regular parking for the purpose of the meeting in question.

VI. GROUND TRANSPORTATION

- A. If travel is by air, the traveler shall attempt to utilize a shuttle or taxi to and from the hotel/lodging.

VII. TRANSPORTATION TO/FROM HOME/WORK AND AIRPORT

- A. If the traveler plans to take public transportation (subway, bus, or tram), taxi or shuttle to/from the airport — the roundtrip travel fare may be claimed.
- B. If the traveler is dropped off/picked up at the airport by a friend or family member, only one-way travel mileage may be claimed for each trip. Airport parking fees incurred while a family member waits for the traveler upon his/her return are not eligible for reimbursement.
- C. If the traveler utilizes airport parking for their personal vehicle, the round-trip mileage travel and airport parking fees may be claimed.

VIII. HOTEL/LODGING (APPLIES TO TRAVEL OTHER THAN THE ABM)

- A. If an overnight stay is necessary, hotel/motel accommodations should be based on a preferred rate plus applicable taxes. Inquire with MIC3 on the rate for your travel area.
- B. MIC3 will not reimburse incidental charges such as entertainment, personal phone calls, and in-room snacks or bar purchases.
- C. The hotel/lodging invoice must include the name/location of hotel, guest name(s), date(s) of stay, and a breakdown of charges for lodging, meals, telephone, and any incidentals.

IX. EXPENSE REIMBURSEMENT (EXPENSES ARE REIMBURSED AT THE CONCLUSION OF THE EVENT)

- A. Travelers must complete and submit claims using the Non-CSG Employee Expense Reimbursement form. A downloadable, fillable form can be found on the Commissioner webpage under “forms.”
- B. Deadlines: Forms should be submitted no later than 30 days following the trip/event. If they are received beyond this window, the traveler may be asked to provide a written justification. Note: Expense claims are normally processed each Monday, and reimbursements are usually mailed on Friday.
- C. Expense Reimbursement forms must be scanned/emailed to mic3info@csg.org. If email is not available, mail forms to: MIC3, 1776 Avenue of the States, Lexington, KY, 40511.
- D. A guide to the completion of the reimbursement form can be found at: <http://bit.ly/2gfkRm>.
- E. Should you have any questions, please contact MIC3.

1-2015 Awards

Issued: October 3, 2016

Revised: February 13, 2019; August 17, 2021

This policy has been created to define the process for recognizing individuals and organizations. The awards program also recognizes individuals for tenure, service, position, or noteworthy contribution to the Commission and its mission.

I. AWARDS

- A. Cheryl Serrano Leadership Award — Gavel
- B. Norman Arflack Leadership Award — Framed Certificate and Coin
- C. MIC3 State Service Award — Certificate and Paperweight
- D. MIC3 Merit Award — Certificate and Pin
- E. MIC3 Community Award — Certificate and Coin

II. CHERYL SERRANO LEADERSHIP AWARD

- A. Recognizes the current Chair for outstanding leadership of the Commission through the enhancement of the mission and vision of the Compact.
- B. The award is presented to the outgoing Chair of the Commission with approval of the Executive Committee (EXCOM).
- C. Timeline and venue for the presentation is dependent on the outcome of the elections at the ABM unless the Chair has notified the national office they will not be seeking an additional term, or they resign during their 12-month tenure.

III. NORMAN ARFLACK LEADERSHIP AWARD

- A. Recognizes an outgoing individual whose outstanding leadership on the EXCOM in a position other than Chair, has enhanced the mission and vision of the Compact. The nominee is a Compact Commissioner who has served in an elected position of Vice Chair or Treasurer; or was appointed to a Standing Committee Chair position. The nominee must have served, at minimum, one full term.
- B. The nomination is made by the Executive Director to the Commission Chair for approval.
- C. Timeline is dependent on the elections at the ABM. The award will be mailed within 4 to 6 weeks; or if practical, presented in-person.

IV. MIC3 STATE SERVICE AWARD

- A. Recognizes an outgoing Compact Commissioner whose outstanding leadership and or role has been essential to ensuring their state's implementation of the military interstate compact.
- B. The nomination is made by the Executive Director to the EXCOM for approval upon confirmation of the resignation or the term end of the nominee.
- C. The award will be mailed within 4 to 6 weeks.

V. MIC3 MERIT AWARD

- A. Recognizes Compact Commissioners and Ex-officio members for years of service on the Commission.
- B. The award when a Compact Commissioner or Ex-Officio member reaches the following: 5, 10, 15, 20, 25, and 30+ years.
- C. The nomination is made by the Executive Director to the EXCOM for approval.
- D. The award will be mailed within 4 to 6 weeks.

VI. MIC3 COMMUNITY AWARD

- A. Recognizes a Compact Commissioner or an individual whose outstanding leadership and/or role has been essential to ensuring a state's implementation of the military interstate compact. The nominee may be a Compact Commissioner, a member of the State Council, or another deserving individual who has shown the same traits in support of the Compact.
- B. The nomination is made by the Compact Commissioner or the Executive Director. The Executive Director is responsible for approving the award. The award will be mailed within 4 to 6 weeks to the Compact Commissioner.

1-2016 Finance

Issued: October 3, 2016

This policy has been created to define the process for financial and budgetary documents on behalf of the MIC3.

FINANCIAL RECORDS

A folder will be designated on the MIC3 shared drive for each fiscal year. Each folder will have folders designated for the following materials:

- I. Budget
 - II. Dues
 - III. Travel Reimbursements
 - A. Staff
 - B. Compact Commissioners
 - C. Annual Meeting participants
 - IV. Credit cards
 - V. Tax Documentation
 - VI. Audits
-

I. BUDGET

Beginning in FY17, budgetary documents and spreadsheets will be broken down quarterly to correspond with the meeting of the MIC3 Finance Committee. Monthly finance reports (Balance, Revenue and Expense, and Detail) will be placed in the corresponding quarterly folder.

II. DUES

Dues folder will contain separate folders for the invoices and payments. All incoming dues payments must be marked with the corresponding state or state abbreviations

Resides numbers for the year and the dues spreadsheet should remain as separate files from these folders.

III. TRAVEL REIMBURSEMENTS

Travel reimbursements will have separate folders for each staff member and the members of the EXCOM. Other folders can be created as the needs arise. These folders are for reimbursement outside of the Annual Meeting. Once completed and approved by the executive director, they are to be filed electronically.

A. MIC3 Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under "Travel and Business Entertainment").

All original receipts must be attached, including itemized receipts for meals, and a brief description of the business purpose of trip or meeting must be noted on the form.

Expense reports for multiple party dinners should have the guests listed to eliminate the possibility of double payments of expenses. MIC3 travel policies shall apply to non-MIC3 participants.

Expense reports will be processed for payment on Thursday if received before noon on Monday.

Expense reports submitted without proper approvals, original receipts, or documentation or are otherwise incomplete will be returned without payment.

B. Compact Commissioners

Compact Commissioners traveling and presenting on behalf of the Commission outside of the Annual Meeting will follow the guidelines in the MIC3 Administrative Policy #1-2014: Travel Policy and Reimbursement Guidelines

Using the following guidelines will ensure upon receipt of a claim, it is processed without an unnecessary delay.

Expense reports should be submitted no later than 30 days following the trip/event. If expenses are submitted beyond the 30-day window, individuals may be asked to provide a written justification as to why the expense report is being submitted late.

With immediate effect, it is now acceptable to submit expense forms electronically, via email. Original, itemized receipts are still required. These can be scanned and emailed along with the expense form to mic3info@csg.org. You can still submit them via regular mail if preferred.

C. Annual Business Meeting (ABM) — Commission

All travel reimbursements and the corresponding expense chart will be filed under the ABM folder. The reimbursement should be filed with the name and state of the Compact Commissioner, Designee, or temporary appointment.

IV. CREDIT CARDS

Credit Card reconciliation is completed each month by the cardholder. Once completed and coded according to the Council of State Governments (CSG) guidelines, and approved by the Executive Director, the bill and the receipts should be scanned and filed electronically under the cardholder name.

In the event that a card is lost, or stolen, a written record and all paperwork needs to be filed under the cardholder name in the event that it is needed for audit purposes. If a card is replaced a new folder should be created under the cardholder's name to distinguish the old card from the new. Paperwork regarding lost or stolen cards must be obtained and shared through Staff Accountant/Accounts Payable Coordinator at CSG.

V. TAX DOCUMENTATION

This includes W9 and any state paperwork needed for the processing of the dues to the Commission. Any change in the documentation or state paperwork should be filed promptly. If dealing with a state, the file name needs to include the appropriate state abbreviation.

VI. AUDITS

This file will include a list of material requested annually by the auditor and instructions for the audit. All materials needed for the audit should be placed in the audit folder on the MIC3 share drive as they are completed.



2-2016 Records Retention and Guidelines

Issued: October 3, 2016

I. OBJECTIVE

To ensure that records and documents produced by the MIC3 are adequately protected.

II. APPLICABILITY

This policy applies to all physical and electronic records produced by MIC3. Records and documents produced by the Council of State Governments (CSG) on behalf of its Affiliates are maintained in accordance with policies and procedures established by CSG. See Schedule B. This policy is not applicable to records or documents produced by member states which are maintained in accordance with policies and procedures established by their respective states.

III. ADMINISTRATION

The Executive Director in conjunction with the CSG is responsible for the implementation and administration of the record retention schedule shown in Schedule A.

IV. SUSPENSION OF RECORD DISPOSAL IN THE EVENT OF LITIGATION OR CLAIMS

In the event MIC3 becomes party to a court action, a government investigation, or audit, the disposal of any and all records and documents shall be suspended until such time as the Executive Director, with the advice of counsel, determines otherwise.

V. RECORD KEEPING

When an employee disposes of records in accordance with the schedule outlined in Schedule A, the employee shall prepare a written log identifying the records and documents destroyed, the date destroyed, and by whom. The logs are to be maintained by the Executive Director.

VI. SCHEDULE A: RECORD RETENTION SCHEDULE (MIC3)

A. Financial Records

Record Time	Minimum Retention Period
Budget	5 years
Dues Documentation	5 years
Travel Reimbursements	7 years
Credit card documentation	5 years
W9s	Permanent
Audits	5 years
Hotel Contracts	3 years after expiration

B. Commission and Committee Materials

Record Time	Minimum Retention Period
Minutes	Permanent
Agendas	Permanent
Committee Rosters	Permanent
Training Materials	3 years
Toolkits	3 years
Strategic Plans	Permanent
Annual Reports	Permanent
Bylaws	Permanent
Rules	Permanent
Policies and Procedures	Permanent
Audio recordings of Committee/ Commission Meetings	3 years

C. Internal documents

Record Time	Minimum Retention Period
Letters/Memos	2 years
Service Contracts	3 years
Legal Documents	Permanent
Conference Materials	2 years
Directories	2 years
Presentations	3 years
Publications (brochures, guides, handouts)	2 years
Logos	Permanent
Media	3 years
Press Releases	Permanent

D. State Materials

Record Type	Minimum Retention Period
Agendas	Permanent
Council Minutes	Permanent
Compact Commissioner Appointments	Permanent
Success/Achievements	Permanent

VII. SCHEDULE B: RECORD RETENTION SCHEDULE (CSG)

A. Personnel Records

Record Type	Minimum Retention Period
Personnel Files (Employee Information and compensation records)	Permanent
I-9's	1 yr. after termination or 3 yrs. after hire
Personnel Files (Payroll records & summaries including records related to employee's leave)	Permanent
Employee Earnings Records	Permanent
Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, training and qualification records)	Permanent
Personnel Files (terminated employees)	Permanent
Retirement and pension records	Permanent
Tax Returns and worksheets	10 years
Timesheets	Permanent
Workers Compensation	Permanent
Personnel Policies	Permanent
Job Descriptions	Permanent

B. Insurance Records

Record Type	Minimum Retention Period
Annual Loss Summaries	10 years
Claims Files (correspondence, medical records, injury documents, etc.)	10 years
Group Insurance Plans – Active Employees	10 years
Group Insurance Plans – Retirees	10 years
Insurance Policies (active and expired)	10 years

C. Payroll Documents

Record Time	Minimum Retention Period
Employee Deduction Authorizations	Permanent
Payroll Deductions	Permanent
W-2 and W-4 Forms	Permanent
Garnishments, Assignments, Attachments	Permanent
Labor Distributions Cost Records	8 years
Payroll Registers (gross and net)	8 years

D. Accounting and Finance

Record Time	Minimum Retention Period
Accounts Payable ledgers/schedules	5 years
Accounts Receivable ledgers/schedules	5 years
Audit Reports/Financial Statements	5 years
Audit Records (Including work papers and other audit related documents)	5 years
Bank Statements/Canceled Checks	5 years
Expense Reports	7 years
General Ledgers	5 years
Investment Records	5 years
Credit Card Records	5 years
Depreciation Records	5 years

E. Tax Records

Record Time	Minimum Retention Period
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Excise Tax Records	5 years
Tax Bills, Receipts, and Statements	5 years
Tax Returns (income, franchise, and property)	5 years
Tax Workpaper Packages – Originals Sales/Use Tax Records	5 years
Annual Information Returns – Federal and State	5 years
IRS/Government Audit Records	5 years

1-2017 State Coordination

Issued: March 28, 2017

I. AUTHORITY

Article VIII, State Coordination, of the model compact language, *Interstate Compact on Educational Opportunity for Military Children*, provides for the appointment of a Compact Commissioner and a State Council for the implementation, administration, and advocacy of the Compact. Through adoption of the Compact, each state may have kept or modified the language of this Article, however, the components of the Article remain intact. This policy ensures compliance with the Statute or Code requirements that each member state maintains a Compact Commissioner and a State Council.

II. APPLICABILITY

This policy applies to signatory states to the *Interstate Compact on Educational Opportunity for Military Children* and Compact Commissioners or Designees appointed to represent those states to the National Commission.

III. POLICY

A. Compact Commissioner Appointment

1. The appointment of the Compact Commissioner is governed by Article VIII, State Coordination, Section C of the model compact language. "The Compact Commissioner responsible for the administration and management of the state's participation in the compact shall be appointed by the Governor or as otherwise determined by each member state." Review the version in each State Statute or Code for the appropriate appointing authority.
2. Upon resignation, the Compact Commissioner shall notify both the appointing authority and the Executive Director in writing. The Executive Director shall confirm in writing, the resignation, request for an interim point of contact, and notify the member state of the 60-day appointing period.
3. If the member State has not appointed a new Compact Commissioner within 60 days, the Executive Director will send by registered mail a delinquency notice to the appointing authority.
4. If a member State has not appointed a new Compact Commissioner within 90 days, the Executive Director may refer the matter to the Compliance Committee for action.

B. State Council

1. The appointment of the State Council is governed by Article VIII, State Coordination, Section A, of the model compact language. "Each member State shall, through the creation of a State Council or use of an existing body or board, provide for the coordination among its agencies of government, local education agencies and military installations concerning the state's participation in, and compliance with, this Compact and Interstate Commission activities." **Review the version in each State Statute or Code for the appropriate appointing authority and membership.**
2. Newly appointed Compact Commissioners shall be given one year from their appointment date to reorganize their State Council if one has not already been established.
3. If a member State has not established their State Council within one year, the Executive Director may refer the matter to the Compliance Committee for action.

C. Reporting

1. By June 30 of each year, member States shall submit the following information regarding their State Council to the national office:
 - a. State Council membership roster.
 - b. Identify and/or confirm at least two points of contact for the member state. i.e. Compact Commissioner, Military Family Education Liaison, State Department of Education, etc.
 - c. Summary of accomplishments, activities, and presentations for the previous year.
2. If a member State has not submitted the above information within 30 days, the Executive Director will send a written reminder to the Compact Commissioner.
3. If a member State has not submitted the above information within 60 days, the Executive Director may refer the matter to the Compliance Committee for review and possible action.

2-2017 Code of Conduct

Issued: August 17, 2017

Revised: April 17, 2019

I. BACKGROUND

The EXCOM is vested with the power to act on behalf of the Commission during periods when the Commission is not in session. This policy applies to signatory states to the *Interstate Compact on Educational Opportunity for Military Children* and Compact Commissioners, or designees officially appointed to represent those states at the ABM.

II. INTRODUCTION

MIC3 is comprised of one Compact Commissioner from each of the 50 states and District of Columbia. Created by the enactment of the Compact by the member states, the Commission affords great deference to its member states in selecting Compact Commissioners to represent them. The Commission's policy on the Code of Conduct was implemented to ensure transparency, accountability, and integrity among all members of the Commission.

III. COMPACT COMMISSIONER CODE OF CONDUCT

This Code of Conduct has been adopted to foster harmonious relations among Compact Commissioners and to engender the respect and confidence of members and the entire MIC3 community.

Compact Commissioners should perform their duties honestly, in good faith, and with a reasonable amount of diligence and care.

Compact Commissioners should act in the overall best interests of the organization, its member states, and the general MIC3 community.

Compact Commissioners should conduct themselves at all times in a manner that does credit to the organization and the state they represent.

No Compact Commissioner shall engage in criminal or disgraceful conduct prejudicial to the Commission, any other Compact Commissioner, or any other state.

IV. CODE OF CONDUCT FORM

All Compact Commissioners are required to complete a Code of Conduct Form which must be submitted to the Executive Director by January 31st of each year, regardless of whether there have been any changes in status from the previous year. If a Compact Commissioner is appointed after January 31st, a completed form must be submitted within six weeks following the appointment.

V. NOTIFICATION TO STATE APPOINTING AUTHORITY

The Commission may notify the appropriate appointing authority in the home state of the Compact Commissioner regarding any concerns it may have with respect to the conduct of said Compact Commissioner, such as:

- A. The Compact Commissioner or Designee has been found in violation of criminal or civil state or federal statute or regulation pertaining to the administration of their duties under the Compact; or has engaged in disgraceful conduct prejudicial to the Commission, any other Compact Commissioner, or any other state.

Removal of a Compact Commissioner from their position as a representative of a member state shall be at the sole discretion of the appointing authority of that state.

3-2017 Accessing General Counsel

Issued: December 7, 2017

I. AUTHORITY

The EXCOM is vested with the power to act on behalf of the Commission during periods when the Commission is not in session.

II. APPLICABILITY

This policy applies to signatory states to the *Interstate Compact on Educational Opportunity for Military Children* and Compact Commissioners, or Designees appointed to represent those states to the National Commission, State Legal Representatives, and all persons engaged in the business of the Compact.

III. POLICY

- A. The Compact Commissioners or Designees appointed to represent those states to the National Commission, state legal representatives and all persons engaged in the business of the Compact shall access the General Counsel of the Commission through the Executive Director. Pursuant to the Compact and Compact Rules, these persons may request a legal interpretation in writing or by email through the Executive Director.

The General Counsel of the Commission shall not communicate directly to anyone in regard to his scope of responsibility to the Commission on matters for which a fee for general services will be charged to the Commission without the knowledge of the Executive Director.

- B. Should costs be incurred due to Compact Commissioners or Designees, state legal representatives, or persons engaged in the business of the Compact communicating directly with the General Counsel of the Commission without the Executive Director's approval, the non-approved fees or costs will not be paid by the Commission

1-2019 Resolving Compliance Issues

Issued: April 17, 2019

I. AUTHORITY

The objective of this policy is to establish a proactive process for resolving non-compliance prior to a referral to the Compliance Committee. This policy is intended to promote resolution of such issues through positive interaction and seek to invoke punitive sanctions in the most serious cases and/or only as a measure of last resort. While this policy is intended to assist member states with non-compliance problems by promoting positive working relationships and solutions, it is recognized that this may not be applicable in all cases. It is not intended to circumvent the powers and duties of the Commission to enforce the provisions of the Compact as specified by statute or rules.

II. APPLICABILITY

This policy applies to the national office and all member states.

III. POLICY

When a non-compliance matter or complaint comes to the attention of the National Office, the national office will respond by taking the action identified below, continuing through the process until the issue is considered resolved.

Level One: The Executive Director makes contact with the involved Compact Commissioner(s) or other state point of contact and attempts to resolve the matter. If the matter can't be resolved it is advanced to Level Two for additional action.

Level Two: At Level Two the Executive Director continues to work to identify an acceptable solution by consulting with the appropriate standing committees, i.e. rules, training etc.

Level Three: At Level Three the Executive Director has exhausted attempts to resolve the compliance problem using the methods identified in the first two levels. The Executive Director elevates the matter to the Chair of the Compliance Committee.

Level Four: At Level Four, the Chair of the Compliance Committee has exhausted attempts to resolve the matter using the methods identified in the first three levels. The Compliance Chair prepares a report to the EXCOM for further action, including but not limited to commencing litigation in federal court.

2-2019 Conflict of Interest

Issued: April 17, 2019

I. AUTHORITY

The EXCOM is vested with the power to act on behalf of the Interstate Commission during periods when the Commission is not in session. The Executive Committee oversees the day-to-day activities managed by the Executive Director.

II. APPLICABILITY

This policy applies to signatory states to the *Interstate Compact on Educational Opportunity for Military Children* and Compact Commissioners or Designees appointed to represent those states to the National Commission.

III. INTRODUCTION

The Interstate Commission on Educational Opportunity for Military Children is comprised of one Compact Commissioner from each of the 50 states and District of Columbia. As a joint government entity created by the enactment of the Compact by the member states, the Commission affords great deference to its member states in selecting Compact Commissioners to represent them. The diverse personal, educational, and professional backgrounds of Compact Commissioners are one of the Commission's greatest assets. However, this diversity means that some Compact Commissioners may have personal pecuniary interests which are affected by the outcomes of management and other decisions which must be made concerning the administration of the Compact Commission at times. The Commission's policy on Conflict of Interest was implemented to ensure transparency, accountability, and integrity in the Commission's decision-making process.

IV. COMPACT COMMISSIONER CONFLICT OF INTEREST

The Compact Commissioner Conflict of Interest adopted as a policy of the Commission provides as follows:

Conflict of Interest. Compact Commissioners and their Designees appointed by the states are responsible for upholding the integrity of the Commission and its member states.

No Compact Commissioner or Designee shall vote or participate in debate upon a matter in which the Compact Commissioner or Designee has a direct or indirect financial or other personal interest resulting in a personal benefit that conflicts with the fair and impartial conduct of official duties.

The EXCOM shall have the sole authority to consider allegations of breaches of this code, including appeals from Compact Commissioners or Designees alleged to be in violation herewith. In the case of a breach, the EXCOM may direct the Chair to notify the appropriate appointing authority in the Compact Commissioner's or Designee's home state.

Definition

A **Conflict of Interest** is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary personal interest economic or otherwise.

V. CONFLICT OF INTEREST FORM (DISCLOSURE FORM)

- A. All Compact Commissioners and Designees are required to complete a Conflict of Interest Form (disclosure form). The form requires recusal from participating in debate or voting on a matter in which there are personal interests, financial or otherwise, that may impact the ability of a Compact Commissioner or Designee to conduct business in a “fair and impartial” manner.
- B. Completed Commission disclosure forms must be submitted to the Executive Director by January 31st of each year, regardless of whether there have been any changes in status from the previous year. If a Compact Commissioner or Designee is appointed after January 31st, a completed disclosure form must be submitted prior to participation in a Compact Commission meeting. For the first year of implementation of this Policy, all Compact Commissioners and Designees must complete a disclosure form prior to the 2018 ABM.
- C. Completed disclosure forms will be made available to the public upon request.
- D. Disclosure forms must be updated annually by Compact Commissioners and their Designees. If a Compact Commissioner or Designee does not have any changes to their disclosure form, the previous year’s form can be resubmitted.

VI. COMPACT COMMISSIONER AND DESIGNEE RECUSAL

Prior to the discussion of an issue in which a Compact Commissioner or Designee believes a conflict of interest may exist, the Compact Commissioner or Designee must advise the Chair at, or prior to the meeting that they are recusing themselves from participating in the caucus and voting. Once recused, the Compact Commissioner or Designee will not be able to participate in the debate or the vote concerning the matter which led to the recusal.

VII. CONCERNS OVER CONFLICT OF INTEREST

Concerns over conflicts of interest should be brought to the attention of the Chair of the Commission for consideration by the EXCOM. The EXCOM will determine if any of the provisions of the Commission’s Policy on Conflicts of Interest have been violated and decide the appropriate action, if any, including that provided in Section VIII.

VIII. NOTIFICATION OF HOME STATE APPOINTING AUTHORITY

If any of the following conditions are met, the Commission may notify the appropriate appointing authority in the home state of the Compact Commissioner or Designee regarding its concern about the ability of the Compact Commissioner or Designee to perform their duties in a fair and impartial manner, or if it becomes aware of any of the following information:

- A. The Compact Commissioner or Designee has a substantial financial, or other personal conflict of interest in the outcome of the matter, such as the awarding of a contract for services or employment and refuses to recuse from debate or voting on such matter;

Removal of a Compact Commissioner from their position as a representative of a member state shall be within the sole discretion of the appointing authority of that state.

3-2019 Guidelines for Commission Meetings

Issued: June 20, 2019

I. PURPOSE

The objective of this policy is to establish guidelines for participants and attendees during meetings of the commission. These guidelines are intended to insure positive interaction and timely resolution of any issues that may occur during the course of debate. They are not intended to circumvent or stifle debate but to ensure agenda items are addressed efficiently.

II. AUTHORITY

Article VI, Section 4. Procedure of the MIC3's bylaws establishes Robert's Rules of Order as the procedural guide for conducting commission meetings unless otherwise prescribed by bylaws or rules adopted by the commission. This policy is consistent with Robert's Rules of Order.

III. APPLICABILITY

This policy applies to the national office staff, the Compact Commissioners of all member states, proxies for Compact Commissioners, ex-officio organization representatives, and members of the public attending meetings of the Commission. This policy refers to the term "Compact Commissioner" as defined in Article II Membership of the Compact Bylaws.

This policy is intended for use during all commission meetings including: the ABM; standing and ad hoc committee; task force; and tier groups meetings. And will apply to meetings conducted in-person, and by telephone or web-based conferencing.

IV. GENERAL INFORMATION

All Commission meetings are open to the public. Compact Commissioners, ex-officio representatives, or public participants may attend meetings, however, may only speak when recognized by the Chair in accordance with Article VIII, Section 4 Public Participation of the Compact Bylaws. It is expected that all discussion, remarks, and comments made during commission meetings will be courteous, respectful, and professional. Comments of a personal nature or that are intended to insult, belittle, or otherwise denigrate any individual are not acceptable.

V. POLICY

Meetings of the Commission will uphold the following practices:

- A. Compact Commissioners may have the floor to speak after being recognized by the Chair.
- B. Compact Commissioners are not to interrupt the individual who has the floor.
- C. The Chair will present a draft agenda after the start of the meeting. Members may move for changes to the agenda before voting to adopt it.
- D. To discuss or debate an agenda item, the Compact Commissioner shall make a motion. The discussion will be opened after the motion has been seconded by another Compact Commissioner.

- E. No Compact Commissioner may speak twice about the same issue until everyone else wishing to speak has been allowed to do so.
- F. The Chair may establish reasonable limits to the debate in order to expedite matters and accomplish Commission business.
- G. The Chair has the same rights to speak and vote on questions as do other Compact Commissioners.

VI. MAINTAINING AND RESTORING ORDER FOR ALL MEETING ATTENDEES

The Chair is responsible for maintaining and restoring order during the meetings. The Chair shall employ the following steps progressively to maintain order:

- A. Remind Compact Commissioners and meeting attendees of the proper procedures and expectations for discussion and debate.
- B. Call the meeting back to order.
- C. An offending individual:
 - 1. Shall be admonished by name and the minutes of the meeting shall reflect the unacceptable behavior, words, or actions at the direction of the Chair.
 - 2. Can be removed from the meeting.
 - a. Compact Commissioners may be removed from the meeting by a two-thirds vote of the body. A Compact Commissioner has the right to appeal the decision.
 - b. The Chair has the power to remove a meeting attendee, non-voting representative, or public participant at any time during a meeting, and this individual has no right to appeal the Chair's decision.
 - c. Each of these actions shall be recorded in the minutes of the meeting at the direction of the Chair.

VII. PENALTIES FOR COMPACT COMMISSIONERS, EX-OFFICIO REPRESENTATIVES, AND MEETING ATTENDEES

Once a quorum is established, disciplinary action may be imposed for inappropriate behavior by a vote of the Compact Commissioners present. A Compact Commissioner may ask to be recognized and move to propose a penalty, or the Chair may ask what penalty should be imposed.

Possible penalties include:

- A. An apology by the offending individual.
- B. Formal censure or reprimand.
- C. Removal of the offending individual for the remainder of the meeting.
- D. Suspension of the offending individual's rights for a designated period of time.
- E. Expulsion of the offending individual from the organization.
- F. Any penalty other than expulsion requires a majority vote to adopt; expulsion takes a two-thirds vote. At the request of a single member, the vote on a penalty motion must be taken by ballot.

Compact Commissioners may vote to have the offending individual leave the meeting while they discuss the penalty. This action must also be presented in the form of a motion. If the Commission does not ask the offending individual to leave during the discussion, they shall allow the offending individual to speak briefly in his or her defense. If the offending individual denies the charges, the Secretary can read back what he or she has said or done.

VIII. EX-OFFICIO REPRESENTATIVES

The Commission Rules, Article 2, Section 3 defines the ex-officio representative as “non-voting representatives who are members of interested organizations. Military-oriented, military family, education-oriented, and parent and teacher organizations are welcome to petition the Commission for inclusion as an ex-officio member.”

- A. Ex-officio representatives may participate in debate and discussion if recognized by the Chair after Member comments have been concluded.
- B. Non-voting representatives, may not move, second, or vote on any motion.

4-2019 Ex-officio Representative Role and Conduct

Issued: June 20, 2019

I. INTRODUCTION

Pursuant to Article IX of MIC3 model compact language and Article II Section 3 of the Commission bylaws, ex-officio representatives are *(non-voting representatives who are members of interested organizations, including but not limited to military-oriented, military family, education-oriented, and parent and teacher organizations.)*

The title of ex-officio follows the position, or the office, as in its Latin roots, “from the office,” serving on MIC3 as an official representative from his or her organization.

The following describes the standards for ex-officio participation on the Commission:

II. APPOINTMENT

- A. Each ex-officio organization shall provide an appointment letter to the Commission designating, by name, the official representative for their respective organization to the Commission.
- B. Each ex-officio organization shall be permitted one representative.

III. VOTING STATUS

Ex-officio representatives are non-voting and therefore unable to vote on any matter that comes before the Commission.

IV. COMMITTEES

- A. Each ex-officio representative may only serve on one committee as assigned by the Chair of the Commission, or as provided by the Bylaws.
- B. No ex-officio shall serve on the Leadership Development Committee or any subsequent committee that is dedicated to identifying MIC3 leaders and monitoring the election of MIC3 officers.
- C. Ex-officio representatives may not be included in the Committee Chair’s count when determining the number of committee representatives needed for a quorum.
- D. Ex-officio representatives serving on a committee shall have the right to participate in debates and discussions before the Commission or their assigned committee.
- E. Ex-officio representatives are expected to refrain from participating in debate upon a matter that the ex-officio has a direct or indirect financial or other personal interest, resulting in a personal benefit that conflicts with the conduct of his or her duties.
 1. Should an ex-officio representative believe a conflict of interest exists, they should announce to the committee or the Commission that they are recusing themselves from the debate.
- F. The ex-officio representative must sign the MIC3 Conflict of Interest Disclosure Form unless their organization has a similar Conflict of Interest Policy and Conflict of Interest Disclosure Form signed by the ex-officio. In this event, the ex-officio shall furnish a copy of this form to the Commission.
 1. The U.S. Department of Defense Ex-officio Member serving as the liaison to MIC3 shall be exempt from signing such Conflict of Interest form, however, they remain subject to the regulations and policies of the U.S. Department of Defense.

V. CODE OF CONDUCT

Ex-officio representatives are expected to comply with the principles detailed in the MIC3 Code of Conduct Policy, including;

- A. Participating in good faith in MIC3 activities;
- B. Conducting themselves in a manner that does credit to their respective organizations and to the Commission;
- C. Acting in the overall best interests of the Commission and their organizations;
- D. Not engaging in any conduct that is criminal, disgraceful, or prejudicial to MIC3 or to their own organizations;

VI. COMMISSION MANAGEMENT AND OPERATIONS

Ex-officio representatives shall not engage directly or indirectly in the management or function of the Commission. Therefore, they may not vote or make decisions on the daily administration of the Commission, including but not limited to the election of officers, strategic planning, or personnel matters.

VII. REPRESENTATION TO THIRD PARTIES

- A. Ex-officio representatives represent their respective organizations on the Commission, and are not appointed Compact Commissioners of member states or the District of Columbia, therefore ex-officio representatives shall not represent the Commission to third parties or to the U.S. Government;
- B. Ex-officio representatives shall not represent or speak on behalf of the Commission at any event without the approval of the EXCOM.

5-2019 Defining Role of Compact Commissioner, Designee, and Proxy

Issued: June 20, 2019

I. AUTHORITY

The MIC3 established the position of Commissioner to represent and administer the Compact in each member state. This policy will define the duties and responsibilities of the Compact Commissioner, Designee, and those individuals attending the MIC3 ABM as the state's proxy. It will clarify the party responsible for allocating those duties and responsibilities to the individual.

II. APPLICABILITY

This policy applies to individuals chosen to administer the Compact as indicated by the appointing authority, as outlined in the state's statute, or the Compact Commissioner whether they are administering the Compact daily or serving as a proxy only for the MIC3 ABM.

III. DEFINITIONS: COMPACT MODEL LANGUAGE, RULES, AND BYLAWS

A. Compact Model Language: Article VIII & Article IX

Article VIII — State Coordination

C. The Compact Commissioner responsible for the administration and management of the state's participation in the compact shall be appointed by the governor or as otherwise determined by each member state.

Article IX — Interstate Commission

B. Consist of one Interstate Commission voting representative from each member state who shall be that state's Compact Commissioner.

3. A representative shall not delegate a vote to another member state. In the event the Compact Commissioner is unable to attend a meeting of the Interstate Commission, The Governor or State Council may delegate voting authority to another person from their state for a specified meeting.

B. Compact Rules: Ch. 100, SEC. 1.101 Definitions

D. "Compact Commissioner" as the voting representative of each compacting State, appointed pursuant to Article VIII of this compact.

C. MIC3 Bylaws: Article II — Membership

Section 2. Compact Commissioners. Each Compacting State shall have and be limited to one Member. A Member shall be the Compact Commissioner of the Compacting State. Each Compacting State shall forward the name of its Compact Commissioner to the national office of the Commission, who will advise the Commission chairperson. The national office of the Commission shall promptly advise the appropriate appointing authority of the Compacting State of the need to appoint a new Compact Commissioner upon the expiration of a designated term or the occurrence of mid-term vacancies. If a resignation of a Compact Commissioner occurs or a change is made by the state appointing authority, it is the responsibility of the member state to inform the Commission of the vacancy or change.

VI. POLICY: DEFINING ROLES

A. Compact Commissioner

As defined by the Compact Rules Chapter 100, section 1.101 the “Compact Commissioner” means: the voting representative of each compacting State, appointed pursuant to Article VIII of this compact. This individual, as indicated by an appointment letter from their state’s appointing authority, administers and manages the Compact in their state. The Compact Commissioner serves on at least one Standing Committee and may be eligible to hold an elected leadership position on the Commission. In addition, the Compact Commissioner attends and actively participates in the ABM as their state’s voting representative.

B. Designee

Should a Compact Commissioner choose to delegate the duties and responsibilities of the Compact Commissioner to another individual this person shall be the “Designee”. The Compact Commissioner must inform the MIC3 national office in writing or by utilizing the *MIC3’s Delegation of Authority Form* of the name of their Designee within 60 days of their appointment. The “Designee” is the voting representative for their compacting State, will serve on at least one Standing Committee, and may be eligible to hold an elected leadership position on the Commission. In addition, the Compact Commissioner Designee attends and actively participates in the ABM as their state’s voting representative.

C. Proxy

Should the Compact Commissioner or the Designee be unable to attend the ABM then a “Proxy” may be selected by the appointing authority, Compact Commissioner, State Council, or Designee to serve as the voting representative for their state only for the duration of the specified ABM. A proxy will not serve on a Standing Committee but may attend any meetings held during the ABM, so they may communicate relevant information to their Compact Commissioner or State Council upon the conclusion of the ABM. A proxy may not run for or hold a leadership position in MIC3.

VII. MIC3 DELEGATION OF AUTHORITY FORM

The MIC3 Delegation of Authority form for the ABM containing the name and contact information of the selected individual must be submitted at least 60 business days but no later than 30 business days prior to the first day of the ABM to ensure all pertinent information, i.e. items to be voted on, are communicated. Only those individuals serving as a proxy who have submitted the proper documentation to the national office will be eligible for reimbursement under the 1-2014 *Travel Policy and Reimbursement Guidelines* for expenses incurred in relation to the ABM.

1-2020 Policy Development and Approval

Issued: June 18, 2020

I. APPLICABILITY

This policy applies to the *Interstate Commission on Educational Opportunity for Military Children*, also known as the MIC3, as defined in the Compact Rules; Chapter 100, SEC.1.101, I.

This policy takes effect June 18, 2020.

II. AUTHORITY

This policy is meant to clarify and establish transparent guidelines by which Commission policies are developed, reviewed, approved, and distributed. This policy includes how to develop new policies, how to amend existing policies, and how to rescind existing policies.

A. MIC3 Bylaws: Article I Commission Purpose, Function and Bylaws

Section 2. Functions.

In pursuit of the fundamental objectives set forth in the Compact, the Commission shall, as necessary or required, exercise all of the powers and fulfill all of the duties delegated to it by the Compacting States. The Commission's activities shall include, but are not limited to, the following: the promulgation of binding rules and operating procedures; equitable distribution of the costs, benefits and obligations of the Compact among the Compacting States; enforcement of Commission Rules, Operating Procedures and Bylaws; provision of dispute resolution; Coordination of training and education; and the collection and dissemination of information concerning the activities of the Compact, as provided by the Compact, or as determined by the Commission to be warranted by, and consistent with, the objectives and provisions of the Compact.

However, where there are Commission policies that do not directly relate to those actions identified in the Commission's Bylaws. The Commission, through the model compact language, delegated to the EXCOM the authority to develop and approve new policies or make amendments to existing policies.

B. Model Compact Language: Article XI Organization and Operation of the Interstate Commission

Section C. EXCOM, Officers and Personnel

1. The EXCOM shall have such authority and duties as may be set forth in the bylaws, including but not limited to:

- a. *Managing the affairs of the Interstate Commission in a manner consistent with the bylaws and purposes of the Interstate Commission;*
- b. *Overseeing an organizational structure within, and appropriate procedures for the Interstate Commission to provide for the creation of rules, operating procedures, and administrative and technical support functions; and*
- c. *Planning, implementing and coordinating communications and activities with other state, federal, and local government organizations in order to advance the goals of the Interstate Commission.*

III. POLICY

A. Submitting New Policies and Amending Existing Policies — Proposed new policies and amendments to existing policies shall be submitted to the EXCOM for referral to the appropriate Standing Committee as follows:

1. Any Compact Commissioner may submit a policy proposal or policy amendment for referral during any Standing Committee meeting. The presence of a quorum must be established before any vote of the Committee can be taken. This proposal must be made in the form of a motion and approved by a majority vote of the Committee members present at the Committee meeting;
2. Standing Committees of the Commission may propose policies or policy amendments by a majority vote, after a quorum has been established, of that Committee.

- B. Initial Draft — Initial policy drafts can be developed by any Standing Committee, Compact Commissioner, or designee. Once a draft has been submitted the EXCOM will designate a Committee to review the proposed new policy or amendment to an existing policy.
1. Policy Drafts — All policy drafts should take into consideration the following:
 - a. Issue the policy intends to address
 - b. Language
 - c. Applicability to the Commission
 - d. Impact on other Commission policies
- C. Approval — With the responsible Standing Committee's approval, as demonstrated by simple majority vote, after a quorum of that committee has been established, the proposed new policy or amendment to an existing policy will be forwarded to the EXCOM for review before the submission is considered adopted.
- D. EXCOM Proposals — The EXCOM may develop proposals based on recommendations received from other Committees, Compact Commissioners, or Designees. The EXCOM will review the proposed policy or amendment to an existing policy and may vote to adopt the policy. If a motion is made to adopt the proposal, at a meeting where quorum has been established, then the EXCOM may adopt the policy by a simple majority vote. Should the EXCOM develop a proposed policy then that proposal will be referred to another Standing Committee for review prior to adoption and will be vetted through the same process as outlined in Section III, C.
- E. National Office Proposals — Proposed policies or amendments to existing policies originating from the national office will be developed in collaboration with the EXCOM. All proposals originating from national office recommendations will be vetted through the same process as EXCOM proposals which is outlined in Section III, D.
- F. Recommendation of Issues to EXCOM for Review — If a Committee has concerns regarding a policy-related issue, the Committee may vote to recommend the EXCOM review the issue to determine what, if any, further action should be taken. It is not necessary for the Committee to draft a proposal if this type of recommendation is made.
1. EXCOM Review — The EXCOM reviews all proposals, taking into consideration the following:
 - a. Proposed language;
 - b. Need/justification for the proposal;
 - c. Impact on other policies or Rules;
 - d. Formatting changes (requires notification to referring Committee Chair);
 - e. Legal issues (if applicable); and
 - f. Feasibility/applicability across all Compact Commissioners and member states.
 2. EXCOM Actions — After discussing a recommendation or proposal, the EXCOM will determine whether to support a proposal as submitted, or recommend changes.
- G. Recommend Substantive Changes to Proposals from Committee — If the EXCOM determines substantive changes are needed, the proposal will be returned to the referring Committee with reasoning and justification for the suggested changes.
- The referring Committee may:
1. approve the EXCOM's changes;
 2. proceed with its original submission; or
 3. withdraw its original submission.
- Any adjustments made to a proposal must be approved by majority vote, once a quorum has been established, of that Committee. A proposal may be withdrawn at any time by the Committee who initially submitted it.
- H. Recommend Formatting Changes to Proposals — Formatting or technical modifications may be made prior to final approval of the proposal. This may include grammar, numbering, and language modifications that do not affect the intent of the proposal or the justification. Any formatting changes are conveyed to the referring party or Committee Chair who can dispute the format change for context.

- I. Rescinding a Policy — A Committee, Compact Commissioner, or Designee may ask the EXCOM to rescind an adopted policy. The request must be in writing and include the reasoning and justification for asking that the policy be voided. A request to rescind a policy must be voted and passed by both the EXCOM and one additional Standing Committee. A request to rescind an adopted policy will be recorded on the consent calendar for approval by a simple majority vote of the full Commission at the next ABM (ABM).

IV. DISTRIBUTION AND COMMUNICATION

Once a policy is adopted by the EXCOM it will be published on the MIC3.net website within 10 business days of passage. A link to the policy will be published in one of the Commission's electronic communications (newsletter, chair message) within 45 days of passage.

V. RATIFYING POLICIES AT THE ABM

Once a proposed policy or amendment to an existing policy is reviewed and approved by a Standing Committee and the EXCOM, it will be a provisional policy and will take effect immediately. All provisional policies are to be recorded on the consent calendar for review, and amendment if necessary, at the next ABM. A provisional policy is considered "adopted" by a simple majority vote of the full Commission at the following ABM after a quorum has been established.

2-2020 Investment

Issued: August 20, 2020

I. AUTHORITY

The objective of this policy is to establish investment guidelines by which assets in the form of reserve funds or funds in excess of operating expenses may be invested to ensure the MIC3 assets are invested in a prudent manner, in order to optimize long term returns at an appropriate level of risk.

Responsibility for investment of the "Fund" rest with the MIC3 Finance Committee, including; the establishment of an overall investment policy, including asset allocating guidelines and a structure of investment managements; the appointment or removal of portfolio managers and other advisors; and monitoring the performance of the Fund.

II. APPLICABILITY

This policy applies to the *Interstate Commission on Educational Opportunity for Military Children*, also known as the MIC3, as defined in the Compact Rules; Chapter 100, SEC.1.101, Subsection I.

III. DEFINITIONS

- A. "Asset Allocation" means: the way an investment portfolio is divided among various asset classes, such as cash, investments, bonds, and stocks.
- B. "Interstate Commission" means: the Commission that was created under Article IX of this compact.
- C. "Fund" means: the primary monetary amount invested by the MIC3 Finance Committee obtained from the Interstate Commission's reserve fund or funds in excess of operating expenses.
- D. "Market Value" means: the current price of an asset.
- E. "Net Return" means: the gain or loss realized by an investment portfolio.
- F. "Portfolio" means: all the securities held by a mutual fund or the total investment holdings of an individual or an institution.
- G. "Portfolio Manager" means: the person or organization that makes the day-to-day decisions regarding a portfolio's investments.
- H. "Principal" means: the amount of money originally put into an investment.
- I. "Rate of Return" means: the net gain or loss on an investment over a specified time period, expressed as a percentage of the investment's initial cost.

IV. RETURN OBJECTIVES

- A. Preservation of principal
- B. To achieve a net rate of return of a minimum 3% per year based on a three year moving average.
- C. This is to be considered and managed as a balanced portfolio

While the primary objective is to add value through prudent management. The nature of the requirements may change over time, and accordingly, the objectives will be reviewed by the Finance Committee annually while considering the MIC3's level of assets and purpose.

V. GUIDELINES

A. Investment Philosophy — Asset Allocation

The Finance Committee believes that it should be the function of the portfolio manager to allocate the portfolio's assets among common stocks, bonds, and cash reserves. Accordingly, it is the guidance of the Finance Committee that the asset mix of the portfolio should be 60% equity and 40% fixed. The portfolio shall be rebalanced at such time as the equity percentage drops below 55% or exceeds 65%.

B. Preservation of Principal

It is the intention of the Finance Committee to preserve the principal in the long-term investment portfolio. It is understood that there will be months and quarters when a negative rate of return will be experienced. The Executive Director or their designee is expected to notify the Finance Committee Chair at any time the portfolio exceeds a negative net return in excess of 10% in any fiscal year.

C. Types of Assets

In order to provide the portfolio manager with the freedom to invest in various types of assets, the following items are expressly approved for investment purposes:

1. Common Stock
2. Preferred Stock
3. U.S. Government Securities
4. Convertible Securities
5. Bonds with a "BBB" or higher rating by Moody's or Standard & Poor's
6. Mutual Funds
7. Money Market Funds
8. Covered Call Options
9. Dollar Denominated ADR's
10. Zero Coupon Bonds

D. Prohibited Transactions

All assets selected for inclusion in the portfolio must have a readily ascertainable market value and must be readily marketable.

The following types of assets or transactions are expressly prohibited:

1. Selling Short
2. Commodities
3. Letter Stock
4. Options (other than covered call options)
5. Non-traditional or new forms of securities, i.e.; Index Options, Future Contracts, etc.
6. Tax-Exempt Securities

E. Diversification of Equity Securities

The equity portion of the portfolio should be invested in an Index Fund that tracks the performance of the stock market as a whole.

VI. FUND MANAGEMENT

The Finance Committee may select professional competent portfolio managers to assist with management and recommendations for fund assets. The Finance Committee may make portfolio manager changes from time to time as they deem in the best interest of the Interstate Commission. The selection of portfolio managers will be made in a prudent manner taking into account their relevant experience, expertise, and ability.

The Finance Committee may also direct the Executive Director to hold cash equivalents on a short-term basis, either to meet obligations or pending allocation to an investment account.

VII. VALUATION OF INVESTMENTS

Most investments will be valued at their market value when that is available from regular public trading but not less than quarterly.

If the market valuation of an investment is not available, then a fair value shall be supplied by the portfolio manager at each quarter end. A reasonable methodology should be applied consistently over time.

VIII. MONITORING

The Finance Committee will annually review and discuss:

1. The portfolio managers, or their designated representative, will meet with the Finance Committee on at least an annual basis to review their progress in meeting the investment objectives of this policy. In addition, the Finance Committee may be asked to make a formal presentation to the Interstate Commission.
2. Current economic outlook and investment plans.
3. Asset mix of the invested funds and take action necessary to comply with desired asset allocation guidelines.
4. Rate of return.

IX. FUND EXPENDITURES

Each year, the Finance Committee will review the portfolio and make a recommendation to the EXCOM.

The dollar amount and timing of any distribution(s) from the fund will be left up to the EXCOM based on recommendations from the Finance Committee and the Executive Director. The EXCOM, on behalf of the Commission, is authorized to withdraw up to 5% of the total market value of the Fund annually (market value to be determined as of the last business day of the preceding year) for the organization's operating purposes, to include replenishment of the Operating Reserve Fund balance.

3-2020 Operating Reserve

Issued: August 20, 2020

I. PURPOSE

The purpose of the Operating Reserve Policy for the MIC3 is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of MIC3 for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Policy will be implemented in concert with the other governance and financial policies of MIC3 and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

II. DEFINITIONS AND GOALS

The Operating Reserve Fund is defined as a designated fund set aside by action of the EXCOM. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum Operating Reserve Fund balance is equal to two-years average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The amount of the Operating Reserve Fund balance target minimum will be calculated each year after approval of the annual budget, reported to the Finance and EXCOMs, and included in the regular financial reports.

III. ACCOUNTING FOR RESERVES

The Operating Reserve Fund balance will be recorded in the financial records as Operating Reserve. The Operating Reserves will be commingled with the general cash and investment accounts of the organization.

IV. FUNDING OF RESERVES

The Operating Reserve Fund will be funded with surplus unrestricted operating funds. The EXCOM may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.

V. USE OF RESERVES

Use of the Operating Reserves requires three steps:

A. Identification of Appropriate Use of Reserve Funds

The Executive Director and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.

B. Authority to Use Operating Reserves

The Executive Director will submit a request to use Operating Reserves to the Finance Committee. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve months to restore the Operating Reserve Fund to the target minimum amount. If the use of Operating Reserves will take longer than 12 months to replenish, the request will be scrutinized more carefully.

The Finance Committee will submit a recommendation to the EXCOM (EXCOM), to include the initial proposal by Executive Director should it differ from the Finance Committee recommendation. The EXCOM, on behalf of the Interstate Commission, is authorized to approve or modify the request, and authorize transfer from the reserve. The 'authority to use operating reserves' process outlined in this section may be enacted by the Finance Committee should the Operational Reserve Goal be attained as described in Section II of this policy.

C. Reporting and Monitoring

The Executive Director is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the Executive Director will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the Finance Committee/EXCOM of progress to restore the Fund to the target minimum amount.

D. Relationship to Other Policies

The national office shall maintain the following EXCOM approved policies, which may contain provisions that affect the creation, sufficiency, and management of the Operating Reserve Fund.

1. Finance Policy
2. Investment Policy
3. Review of Policy

E. Review of Policy

This Policy will be reviewed every other year, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the policy will be recommended by the Finance Committee to the EXCOM.

1-2021 Staffing In-Person Meetings During COVID-19 Pandemic

Issued: May 20, 2021

I. AUTHORITY

The MIC3 is a membership organization that relies on its staff to organize and facilitate in-person convenings of its members. As such, the safety of our employees, members, and meeting attendees is paramount.

This policy is adopted to align with the CSG policy of which MIC3 is an affiliate member organization.

II. APPLICABILITY

This policy applies to the staff of the organization.

III. INTRODUCTION

To safely convene our members during the pandemic, MIC3 is implementing meeting-specific protocols that take many factors into consideration. Each meeting will have meeting and location specific protocols that will be communicated to members and MIC3 staff in advance.

IV. GUIDELINES

Since MIC3 employees are needed to staff in-person meetings, we are implementing travel and in-person meeting safety protocols for the protection of our staff. These measures are described below:

- A. During the COVID-19 public health emergency, employees who are assigned to staff an in-person meeting will be given the option to decline the assignment. When possible, assignments will be discussed with employees at least two months prior to an in-person meeting. Employees will be expected to accept or decline the assignment at that point in time. MIC3 prohibits retaliation against any employee who, during the effective period of this policy, declines an in-person meeting assignment. If an employee declines, efforts will be made to provide appropriate in-office or remote work assignments. In the event appropriate work assignments are not available, an employee who declines an in-person meeting assignment will be approved for Paid Personal Time.
- B. Employees who accept an in-person meeting assignment will be required to demonstrate COVID-19 vaccination by complying with appropriate protocols to be established by CSG Human Resources. If an employee is not completely vaccinated, staffing of an in-person meeting will not be authorized. In this case, alternate assignments will be arranged unless the employee prefers to take that time off from work as Paid Personal Time.
- C. Employees whom staff meetings are required to follow:
 1. MIC3 meeting and location specific protocols,
 2. safety protocols of public transportation carriers and meeting venues, and
 3. applicable U.S. Centers for Disease Control and Prevention (CDC) guidelines associated with travel and with hygiene, facial masks, and social distancing.
- D. During this time of a global pandemic and the uncertainty it can bring to convenings, MIC3 appreciates the willingness of our employees to take on the task of staffing those convenings when they feel safe doing so. MIC3 strongly believes that these protocols are the best path forward to provide flexibility and safety for its staff.
- E. This policy remains in place until the end of the COVID-19 public health emergency. MIC3 will re-evaluate the necessity of the policy at that time and determine whether or not the policy duration will be extended.

2-2021 Attendance by MIC3 Employees at In-Person Events Convened by Other Entities During the COVID-19 Pandemic

Issued: May 20, 2021

I. AUTHORITY

The MIC3 is committed to ensuring the health and safety of all employees who attend in-person events convened by other entities.

This policy is adopted to align with CSG policy of which MIC3 is an affiliate member organization.

II. APPLICABILITY

This policy applies to the staff of the organization.

III. GUIDELINES

- A. Therefore, employees who register to attend, or accept invitations to participate in, any in-person events convened by other entities will be required to demonstrate COVID-19 vaccination by complying with appropriate protocols to be established by CSG Human Resources. If an employee is not completely vaccinated, attendance at, and participation in, any such in-person events will not be authorized.
- B. CSG employees who attend in-person events convened by other entities are required to follow:
 1. all meeting and location-specific health and safety protocols established by the event sponsors;
 2. safety protocols of public transportation carriers and meeting venues; and
 3. applicable CDC guidelines associated with travel and with hygiene, facial masks, and social distancing.
- C. This policy shall remain in effect until the end of the COVID-19 public health emergency.



3-2021 Establishing Health and Safety Protocols for In-Person MIC3 Events Convened During the COVID-19 Pandemic

Issued: May 20, 2021

I. AUTHORITY

The MIC3 is committed to providing safe meeting environments and to ensuring the health and safety of all participants who attend its events.

This policy is adopted to align with the CSG policy of which MIC3 is an affiliate member organization.

II. APPLICABILITY

This policy applies to the staff of the organization.

III. GUIDELINES

- A. For any in-person MIC3 event convened during the COVID-19 pandemic, appropriate health, and safety guidelines and/or protocols to be observed by all attendees should be established by the appropriate managers, event planners, and principals and communicated to all staff and attendees both prior to and during the event.
- B. MIC3 recommends that such guidelines and protocols be consistent with the best available guidance provided by the CDC and other appropriate state and local public health authorities.
- C. They should also be tailored as appropriate to comply with all applicable location- and venue-specific health and safety requirements.
- D. The enforcement of compliance with such guidelines and protocols shall be left to the discretion of the appropriate managers, planners, and principals responsible for each event.
- E. This policy shall remain in effect until the end of the COVID-19 public health emergency.

1-2022 Policy for COVID-19 Vaccination

Issued: February 9, 2022

I. AUTHORITY

President Biden signed an executive order on September 9, 2021, mandating employees of federal contractors, such as MIC3, be vaccinated against COVID-19. MIC3 is adopting this vaccination policy to ensure our compliance with the new federal requirements and to safeguard the health and well-being of our employees, their families, the state officials with whom we work, and our neighbors.

This policy is adopted to align with the CSG policy of which MIC3 is an affiliate member organization.

II. APPLICABILITY

- A. On and after November 15, 2021, all MIC3 employees, as a condition of employment, must be fully vaccinated for COVID-19.
- B. For employees who encounter limited access to vaccines, MIC3 will assist them in obtaining access to the vaccine.
- C. A person is considered fully vaccinated two weeks after completing a full course of a vaccine regime.
- D. Between now and November 15, 2021, MIC3 employees required to travel for MIC3 are required to be fully vaccinated at the time of travel.

III. PROCEDURES

- A. On or before November 15, 2021, all MIC3 employees shall provide MIC3 with a copy of their CDC vaccination card as proof that they are fully vaccinated.
- B. All offers of employment with MIC3 shall be conditioned on receiving proof of full vaccination prior to beginning employment with MIC3.
- C. Vaccination records should be scanned and emailed to CSG Human Resources at COVID-19vaccine@csq.org.
- D. Employees not in compliance with this policy will be placed on unpaid leave while the circumstances of noncompliance are evaluated by relevant MIC3 management, in consultation with CSG Human Resources.
- E. Noncompliance may result in disciplinary action up to and including termination. Please direct any questions regarding this policy to the human resources department.

2-2022 Open Records Request

Issued August 18, 2022

I. AUTHORITY

The objective of this policy is to establish a proactive process for the public to request records from MIC3. This policy is intended to set guidelines for how to request records and establish a reasonable time frame for the Commission to return the requested records.

II. APPLICABILITY

The MIC3 is a quasi-governmental agency and is located in Lexington, Kentucky — and adheres to **KRS Chapter 61.870-61.884**. This policy applies to citizens, corporations, associations, public interest groups, private individuals, and universities who submit an Open Records request to MIC3.

III. DEFINITIONS

- A. Public Record — A public record is defined as the original or copy of any documentary material in any form, to include written materials, books, photographs, photocopies, films, microfilms, records, tapes, computerized records, maps, and drawings created or received by the Commission in connection with the transaction of public business.
- B. Privacy — Performance data and personally identifiable student information data need to be kept safe, private, and follow federal and state standards and laws, including the Family Educational Rights and Privacy Act (FERPA), to maintain student data security and privacy. While the data used by the Commission is comprehensive, the data made available to the public may be redacted to avoid unintended disclosure of personally identifiable information in school or state level reports.
- C. Exempt Records — The Commission may withhold public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy. This may include but is not limited to:
 - 1. Benefit Selections/Payroll Deductions
 - 2. DD-214s (military discharge forms)
 - 3. Financial Records
 - 4. Health Insurance Records
 - 5. Medical Records
 - 6. Commendations
 - 7. Driver’s License Information
 - 8. Law Enforcement Records
 - 9. Personally Identifiable Student Records
 - 10. Employee Personnel Records
- D. FERPA — (20 U.S.C. § 1232g; 34 CFR Part 99) is a **federal law** that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.
- E. Commercial Purpose — **KRS 61.870(4)** defines “commercial purpose” as “the direct or indirect use of any part of a public record or records, in any form, for sale, resale, solicitation, rent, or lease of a service, or any use by which the user expects a profit either through commission, salary, or fee.” However, “commercial purpose” does not include the publication or related use of the public record by a newspaper or periodical, by a radio or television station in its news or informational program, or by use in the prosecution or defense of litigation by the parties to such an action or their attorney.

IV. PROCESS

A. A request for public records shall adhere to the following:

1. The request shall be made using the Open Records request form.
 - a. Requester shall fill out the form in its entirety and include the requester's name and contact information, and state they reside in.
 - b. Under **KRS 61.874(2)(a)**; the requester shall indicate whether they desire hard or electronic copies; the request shall include a specific description of the public records requested in as much detail as possible; and the requester shall indicate whether or not the records sought are for a commercial purpose under **KRS 61.870(4)**.
2. Response
 - a. The Commission shall provide a response to the records requester within five (5) business days of the date the request is received. Notice promptly shall be sent to the requesting party if additional time is needed under **KRS 61.872 and 61.880** to respond to the request.
 - b. When a response is delayed, the Commission shall specifically indicate to the requester that additional time is required to process the request and explain the circumstances justifying additional processing time.
3. Cost Estimate
 - a. The Commission shall provide the requester with a cost estimate. This may include, but is not limited to administrative fees, legal counsel service fees, and hard copy fees, if applicable.
 - b. Hard copies of the public records of MIC3 shall be furnished to any requester, on payment of a fee of ten (10) cents a page, but electronic copies shall be provided via email whenever possible, at no cost. If providing electronic copies via email is not possible, the fee charged to the requester will be ten (10) cents a page and postage of packages up to fifty (50) dollars. The requestor shall be notified if postage cost exceeds this threshold.
 - c. Copies of nonwritten records (photographs, material stored in computer files or libraries, etc.) shall be furnished on request, on payment of a charge equal to the actual cost of producing copies of such records by the most economic process not likely to damage or alter the record.
 - d. If applicable, the Commission may require payment in advance.
4. State Records
 - a. Request for state specific data or information may or may not be subject to open records laws. A requestor should consult the respective state's open records laws to determine how or if a request is possible.

Any request not outlined in this document will be reviewed by the EXCOM for determination.

MILITARY INTERSTATE CHILDREN'S COMPACT COMMISSION
1776 Avenue of the States Lexington, Kentucky 40511
