

# Executive Fellow Program Guidelines

## 1. STATEMENT OF PURPOSE

The Institute of Navigation (ION) Executive Fellows program is created to provide a resource of navigation experience and technical knowledge to the Executive Branch, to broaden the perspectives of both the professional and governmental communities on the value of such interaction, and as an education experience for the participating Fellow.

## 2. SPONSORSHIP OF FELLOWSHIPS

Each year, The ION will seek to sponsor an Executive Fellow to serve a one-year fellowship with an Executive Branch Department or agency. The ION Congressional/Executive Fellows Committee has been established as a standing committee of The ION to manage this program.

## 3. BASIC QUALIFICATIONS FOR FELLOWSHIP

To be considered for an ION Executive Fellowship, Applicants will be asked to submit an application confirming the following basic eligibility requirements:

- a. Applicants must be current ION members in good standing.
- b. Applicants must have a minimum of eight (8) years responsible experience in navigation/engineering programs, university teaching or independent research; or have six (6) years of such experience and a Master's degree in engineering or qualified science; or have three (3) years of such experience and a Doctoral degree in engineering or qualified science.
- c. An applicant must be an U.S. citizen at the time of application or, at the latest, prior to selection.
- d. Applicants must demonstrate a strong interest and/or experience in applying technical knowledge to the formulation of public policies that enhance U.S. technological competitiveness.
- e. Applicants may be asked to demonstrate any special qualifications or experience specified by the Executive Branch sponsor.

## 4. APPLICATION PROCEDURES

### 4.1 Advance Publicity

The Congressional/Executive Fellows Committee shall publicize a description of the program and the application requirements (and deadline) with sufficient notice to allow reasonable time for response. This shall be done via news releases and/or advertisements placed in ION publications with broad distribution to the ION members, such as the *ION Newsletter*.

### 4.2 Application Package

Individuals interested in applying for an Executive Fellowship will be asked to complete an application providing personal history, background, and contact information and to which the following attachments will be required:

- a. Statement of Interest and Qualifications -- a brief statement explaining why the applicant wants to be a Executive Fellow and the relevance of the applicant's background to the position. The applicant's technical background should show considerable depth and breadth of experience, reflecting a variety of assignments and ideally should show experience in industry or private practice as well as in government or academic employments.
- b. Personal and technical resume -- including description of the applicant's ION activities and other navigation related group/society affiliations.

- c. Statement of Non-Conflict of Interest -- a statement expressing the applicant's willingness to abide by the terms and conditions outlined in these Policies and Procedures. The statement should also describe any actual or apparent conflict-of-interest or absence thereof.
- d. Statement from employer authorizing leave-of-absence and agreeing to specified salary and benefit support, or a letter giving reasons for the absence of such authorization and for the expectation that it would be available at a later date, or stating other arrangements.
- e. Names and addresses of three technical/business references and three professional/community service references that can be contacted on your behalf.

#### **4.3 Application Process**

Upon receipt of requests for information from potential applicants, the Congressional/ Executive Fellows Committee will promptly provide an application package, a copy of the Program Guidelines for the Executive Fellows Program, and such additional informational material as may be deemed useful. The application information will clearly indicate the closing date for receipt of applications. Application information will be distributed by first class mail or via electronic means. Applications for Executive Fellowships, together with required supporting materials, shall be mailed to the designated contact by first class mail and must be postmarked before the published application closing date.

In those cases where an incomplete application is submitted, the applicant will be advised of those items required to complete the application. Applications will generally not be considered unless completed prior to dates established for review. In those cases where an element cannot be obtained at the time of application (e.g. employer's commitment to provide leave of absence and financial support) but it is fairly certain that it will be available in the event of selection, the applicant may state his reasons for the absence of the required item at the time of application and the expected likelihood of its future availability. The Congressional/Executive Fellow Committee may choose to entertain such applications on a case by case basis.

### **5. FELLOW SELECTION PROCEDURES**

#### **5.1 Selection Criteria**

In evaluating applications, the Congressional/Executive Fellows Committee shall consider the basic eligibility requirements in Section 3 above. In addition, the Committee may take into consideration the applicant's educational background, professional experience, public service, public policy experience, ION volunteer activities, communication skills, applicant's goals and objectives for the Fellowship, and overall suitability for the Fellowship (e.g. flexibility, adaptability, open-mindedness, maturity, professionalism, etc.).

#### **5.2 Review and Preliminary Selection**

The written applications of candidates will be reviewed by the Congressional/Executive Fellows Committee based on an overall assessment of the selection criteria. From these preliminary rankings, the Committee shall meet to select one or more Finalists to be invited for interviews.

#### **5.3 Finalist Interviews**

Finalists are required to attend a personal interview at a time and place designated by the Congressional/Executive Fellows Committee. Travel and related expenses for participation in the interview will be reimbursed by the ION. Finalist(s) shall be interviewed personally by a suitable number of Committee members and staff and such other Institute officials as may be desirable.

#### **5.4 Final Selection**

Based on the results of the interview(s) and the totality of the application process, the Congressional/Executive Fellows Committee shall recommend the name of the Fellow selected for approval by the ION Executive Committee. The Fellows Selection Committee is not obligated to select a Fellow in any particular year.

### **5.5 Approval by Executive Branch Sponsor**

Upon selection, the names and qualifications of the proposed ION Executive Fellow will be presented for approval to the appropriate officials representing the Executive Branch department or agency that is sponsoring the Fellow.

### **5.6 Notification and Acceptance**

Upon selection, the ION National Office shall arrange for prompt notices to be sent to the selected Fellow and to his/her employer. The initial announcement may be made by telephone call, telegram, or electronic communication. A formal letter of notification and acceptance shall follow this. The Fellow shall return one signed copy of the letter within 10 days, which serves to formalize the acceptance of the Fellowship. Following acceptance, the Fellow will be presented with the proposed Terms of Appointment (i.e. a formal contract between the Institute, the employer if appropriate, and the Fellow) outlining the terms and conditions of the Fellowship. (See Item 6.1 below). The ION shall also arrange for such public notices as may be desired and shall issue such letters to the Fellow's employer as are deemed necessary to publicize the award and to clarify financial arrangements.

## **6. TERMS AND CONDITIONS OF APPOINTMENT**

### **6.1 General**

Following acceptance, the terms and conditions of appointment shall be specified in an Independent Contract Agreement incorporating a statement of Terms of Appointment signed by the Executive Fellow, the Fellow's employer if required, and by appropriate representatives of the ION. The standard terms and conditions are outlined in Sections 6.2 through 6.7 below.

### **6.2 Terms of Appointment**

The standard term of appointment shall be for one year (12 months) starting January 1. Other terms may be negotiated for mutual convenience.

### **6.3 Fellowship Stipend**

The ION will provide a Fellowship stipend of \$68,360. Stipends are normally paid in equal monthly installments unless otherwise negotiated. A supplementary expense allowance or relocation stipend may be negotiated subject to need and available funding, up to a maximum of ten percent each way of the basic stipend with a cap not to exceed \$8,000. It is expected that the Fellow's employer (or the Fellow) will pay for the balance of the salary and expenses including all legally required and discretionary benefit costs (as will be detailed in the offer letter). The Executive department or agency provides no direct financial support to the Fellow, but does provide office space and furnishings, secretarial assistance and necessary supplies.

### **6.4 Reports**

Executive Fellows will provide four written reports that describe the Fellow's responsibilities and on-going activities. The first report ("Placement Report") is by 1 Feb and should describe the Fellow's particular placement and assigned responsibilities. The second report ("Summer Report") is due by 1 June and should provide an overview of on-going activities and accomplishments. The third report ("Fall Report") is due by 1 Sep and should update the summer report of on-going activities and accomplishments plus provide recommendations on criteria for selecting the next fellow. The fourth report ("Final Report") is due no later than one month after completion of the Fellowship and should recount the Fellow's activities and accomplishments during the year and offer personal perspectives and recommendations on the Fellowship program. The Fellow understands that written reports may be printed in the ION Newsletter.

### **6.5 Presentations**

If appropriate and consistent with the Fellow's schedule, the Fellow may be called upon to give oral presentations to the ION Council or to other Institute members or groups. Reimbursement for related travel must be authorized in advance by the ION and will be an allowable expense directly chargeable to the ION.

## **6.6 Orientation**

If the timing for selection of an Executive Fellow permits, the Fellow may be required to participate in the Government Fellowship orientation program coordinated by the American Association for the Advancement of Science and generally held in Washington, DC each year during the first two weeks of September. The ION will pay the required registration fee and the Fellow will be reimbursed for related travel and lodging expenses subject to prior authorization and in accordance with ION policies on travel reimbursement.

## **6.7 Freedom from Influence**

The following guidelines are provided to ensure the Fellow's freedom from improper influence:

- a. It is clearly understood by all parties that the Fellow is not an employee of the ION or of the Federal Government.
- b. The Fellow is free to choose his or her assignments consistent with the purposes of the Fellowship and is not bound to represent the views or positions of the ION as a condition of the Fellowship, but should call upon by the Institute for technical information and any other general support required. The ION will not attempt to control or regulate the Fellow's independence of thought or service.
- c. The Fellow may continue to communicate with past employers and is encouraged to seek technical information from all cognizant sources. However, he or she shall not compromise the integrity of the advice and assistance rendered to the Federal Government by permitting undue influence by any organization or individual nor by actions that would suggest such influence.
- d. The Fellow may not accept any other employment or additional reimbursements for services rendered during his or her term of office except as specifically disclosed in the original application and agreed to in writing by the Institute. Unusual situations shall be referred to the ION for interpretation and rulings.
- e. The Fellow shall not engage in partisan political activities during the term of appointment.
- f. As a condition of the Fellowship, the Fellow may be required by the Federal Government to sign a statement declaring adherence to policies and laws governing codes of ethical conduct.

## **6.8 Modification/Termination**

The standard terms and conditions of the Fellowship may be modified or terminated by mutual agreement of the parties or as specified in the related policy on disclaimers (see Section 7).

## **7. DISCLAIMER POLICIES**

The following specific disclaimers are made by the ION regarding the Executive Fellow program:

- a. The designation of a Fellow and the execution of a Fellowship and stipend agreement do not constitute an employment contract between the Fellow and the ION or any ION official. During the fellowship, no employer-employee relationship shall exist between the Fellow and the Institute. However, the Fellow may continue to have an employment relationship with his/her employer at the time of selection in accordance with the employer's established leave policies and provisions of the law. The conditions of the Fellowship agreement shall be binding on both parties only to the extent that both agree in the written agreements.
- b. The ION's total financial liability for reimbursement to the Fellow shall not exceed the agreed upon amount for stipends and other expenses as approved by the ION. No person shall have any claim against the Institute neither for any other expenses nor for the actions of the Fellow.
- c. The Fellow serves in each of his/her assignments at the pleasure of the Government Department or Agency sponsor. These assignments may be terminated at will without explanation.
- d. Although it is the intention of the ION to continue this program throughout each term of appointment, circumstances may dictate cancellation at any time. Should this occur, the Institute will provide to the affected Fellows the balance of any agreed-upon stipends in one or more amounts and shall notify the affected Government sponsor and employers of the reason for termination of the program.

- e. In the event of malfeasance on the part of the Fellow as defined by the Institute and determined by a vote of the ION Executive Committee, the fellowship and associated grant may be immediately terminated.
- f. In the event that illness, disability or urgent personal considerations make it temporarily impossible for the Fellow to serve, the ION shall continue the stipend for up to thirty days. Should a leave of longer duration be necessary, the ION shall, after consultation with the cognizant government official and the Fellow's employer, decide whether to continue or terminate the Fellowship. If terminated, the Fellow's employer may institute leave reimbursement in accordance with his policy. Unused stipend money may be applied to relocation expenses.
- g. In the event that the Fellow voluntarily terminates for other than illness, disability or urgent personal considerations (as determined by the sponsoring entity), stipend payments will be immediately terminated and no additional expenses will be paid.

## **8. FEDERAL INCOME TAX IMPLICATIONS OF THE ION FELLOWSHIP**

### **8.1 General**

The Institute of Navigation (ION), a corporation exempt from Federal Income Tax pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC), is an organization established for the purposes of elevating standards of navigation by coordinating the knowledge and achievement of practicing navigators, scientists and those involved in the development and production of navigation equipment. In order to promote understanding of the influence of navigation technology on the public welfare, the ION provides Executive fellowship grants to engineers to choose a Department or Agency assignment consistent with the purposes of the fellowship and is not bound to represent the views or positions of the ION or his/ her employer to the Department or Agency as a condition of the fellowship.

### **8.2 Definition of Fellowship Grant per Reg. 1.117-3(c) of the IRC**

A fellowship grant generally means an amount paid or allowed to, or for the benefit of, an individual to aid him in the pursuit of study or research. The term includes the value of contributed services and accommodations (room, board, laundry services, etc.) and the amount of tuition, matriculation, and other fees that are furnished or remitted to an individual to aid him in the pursuit of study or research.

### **8.3 Taxability to the grantee of fellowship grants are governed by I.R.C. Reg. 1.117-2(b)(1)&(2)**

Pursuant to I.R.C. Reg. 1.117-2(b)(1), the following conditions for tax exclusion are required for those individuals who received fellowship grants and are not candidates for a scholastic degree:

- (1) In the case of an individual who is not a candidate for a degree at an education institution, the exclusion from gross income of an amount received as a scholarship or a fellowship grant shall apply (to the extent provided in subparagraph
- (2) of this paragraph) only if the grantor of the scholarship or fellowship grant is from (i) An organization described in section 501(c)
- (3) which is exempt from tax under section 501(a). Once the above condition is met, the extent that a fellowship grant is taxable to the individual receiving the grant is governed by I.R.C. Reg. 1.117-2(b)(2) as follows:
  - (i) In the case of an individual who is not a candidate for a degree, the amount received as a scholarship or a fellowship grant which is excludable from gross income under Section 117(a)(1) shall not exceed an amount equal to \$300 times the number of months for which the recipient received amounts under the scholarship or fellowship grant during the taxable year.
  - (ii) No exclusion shall be allowed under section 117(a)(1) to an individual who is not a candidate for a degree after the recipient has, as an individual who is not a candidate for a degree, been entitled to an exclusion under that section for a period of 36 months.

### **8.4 Grantor's reporting of fellowship grants are governed by I.R.C. Reg. 1.6041-3(o)**

With regard to the grantor (ION) reporting fellowship grants to the Internal Revenue Service (IRS) via Information return, Reg. 1.6041-3(o) of the IRC states as follows:

Returns of information (Form 1099) are not required with regard to payments to individuals as scholarships or fellowship grants within the meaning of section 117(b)(1), whether or not "qualified scholarships" as described in Section 117(b). This exception does not apply to any amount of a scholarship or fellowship grant that represents payment for services within the meaning of section 117(c). Instead, these amounts are required to be reported as wages on Form W-2.

**8.5 Action to be taken by the grantee of a fellowship grant from the ION (grantor)**

The above IRS rules on the taxability of fellowship grants to the grantee are provided for discussion purposes only. It is suggested that grantee discuss the taxability of their fellowship grants with their personal tax advisors. The ION makes no representations regarding application or interpretations of the tax laws and disclaims any responsibility for improper tax filings by the Fellow.

**8.6 Action to be taken by the grantor (ION) on reporting fellowship grants to the IRS**

As noted in the above IRS Regulations, there is no requirement for the ION to report distributed fellowship grants to the IRS. Therefore, no Form 1099s will be issued. It is the responsibility of the grantee to determine the taxability of their fellowship grants.

**9. AMENDMENT**

These Guidelines were developed by the ION Congressional/Executive Fellows Committee to aid in administration of the Fellows Program and may be amended by majority vote of that body subject to the ION Bylaws and related policies