

**Bylaws
of
Dighton-Rehoboth Marching Band Boosters**

**Article 1
Offices**

Section 1. Principal Office

The principal office of the organization is located in Bristol County, Commonwealth of Massachusetts.

Section 2. Other Offices

The organization may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the executive board may, from time to time, designate.

**Article 2
Nonprofit Purposes**

Section 1. IRC Section 501(c)(3) Purposes

This organization is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes

The specific objectives and purposes of this organization shall be to provide financial and volunteer support to supplement the development and maintenance of the Dighton-Rehoboth Marching Band for the benefit of the youth of the organization.

Activities in the purview of the organization shall include:

- a) conducting fundraising activities to support the financial needs of the Dighton-Rehoboth Marching Band in accordance with Dighton-Rehoboth School District policies and procedures
- b) providing volunteer support at the request and under the direction of the Dighton-Rehoboth Marching Band Director or his/her designee.

- c) offering social activities, under the direction of the Dighton-Rehoboth Marching Band director or his/her designee, to encourage friendship and team building among the members of the Dighton-Rehoboth Marching Band.
- d) engaging in other activities related to providing financial and volunteer support to the Dighton-Rehoboth Marching Band, under the direction of the Dighton-Rehoboth Marching Band Director or his/her designee and in accordance with Dighton-Rehoboth School District policies and procedures.

Article 3 Board of Directors

Section 1. Officers

The organization shall have five (5) officers and collectively they shall be known as the board of directors or executive board. The officers will consist of the following:

- a) The **President** shall be the chief executive officer of the organization and shall:
 - Supervise and control the affairs of the organization and the activities of the officers.
 - Perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the executive board.
 - Preside at all meetings of the executive board and at all meetings of the members, unless the vice president is functioning in lieu of the president or another person is specifically appointed as chairperson of the meeting.
 - In the name of the organization, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the executive board, except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws.
- b) The **Vice President** shall:
 - In the absence of the president, or in the event of his or her inability to act, perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president.
 - Maintain a master calendar of fundraising events.
 - Serve as liaison to school administration and marching band staff regarding fundraising events.
 - Track activities of fundraising subcommittees and report back to the executive board.

- Maintain documentation of event plans.

c) The **Clerk** shall:

- Certify and keep at the principal office of the organization or at such other place as the board may determine the original, or a copy, of these bylaws as amended or otherwise altered to date.
- Keep at the principal office of the organization or at such other place as the board may determine, a book of minutes of all meetings of the officers, members, and committees of officers and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- See that all notices and agendas are duly given in accordance with the provisions of these bylaws or as required by law.
- Be custodian of the records and of the seal of the organization and affix the seal, as authorized by law or the provisions of these bylaws, to duly executed documents of the organization.
- Keep at the principal office of the organization a membership book containing the name of each and any members (with physical addresses, email addresses, and phone numbers redacted), and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.
- Keep an annual operational membership book containing the name, mailing address, email address, and phone number of each and any members.
- Exhibit at all reasonable times to any officer of the organization, or to his or her agent or attorney, on request therefore, the bylaws, the membership book, and the minutes of the proceedings of the officers of the organization.
- In general, perform all duties incident to the office of clerk and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the executive board.

d) The **Treasurer** shall:

- Prepare the yearly budget in accordance with the direction established by the executive board and the Dighton-Rehoboth Marching Band Director.
- Dispense funds as approved by the President and/or Vice President and in accordance with the budget approved by the general membership, taking proper vouchers for such disbursements.

- Have charge and custody of, and be responsible for, all funds and securities of the organization, and deposit all such funds in the name of the organization in such banks, trust companies, or other depositories as shall be selected by the executive board.
 - Keep and maintain adequate and correct accounts of the organization's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
 - Exhibit at all reasonable times the books of account and financial records to any officer of the organization, or to his or her agent or attorney, on request therefore.
 - Render to the president and officers, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the organization.
 - Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports and/or filings.
 - In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the organization, or by these bylaws, or which may be assigned to him or her from time to time by the executive board.
- e) The **Assistant Treasurer** shall:
- Receive and validate monies due and payable to the organization from any source whatsoever in accordance with the organization's Gift Acceptance Policy.
 - Prepare, disperse, and maintain a copy of donation receipt letters as appropriate and in accordance with the organization's Gift Acceptance Policy.
 - Balance all moneys due and payable against a Report of Collected Funds form and make such deposits into the appropriate organization account.
 - Have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the executive board.

Section 2. Qualifications

Officers shall be of the age of majority in this state. Other qualifications for officers of this organization shall be as follows:

- a) The clerk must be a resident of the Commonwealth of Massachusetts.
- b) Officers may not have been convicted of any crime related to alcohol or gaming within the past ten years.
- c) Officers must have an active Dighton-Rehoboth School District CORI.

- d) Officers must maintain an active membership in the organization.

Section 3. Powers

Subject to the provisions of the laws of this state and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved by the members, if any, of this organization, the activities and affairs of this organization shall be conducted and all corporate powers shall be exercised by or under the direction of the executive board.

Section 4. Duties

It shall be the duty of the officers to:

- a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- b) Transact necessary business in the intervals between general membership meetings;
- c) Appoint standing and special committee chairs and members as may be deemed necessary to promote the purposes and carry on the work of the organization;
- d) Approve the work of the committees and members, and ensure committees and members report information back to the board;
- e) Meet at such times and places as required by these bylaws;
- f) Prepare, with the marching band administration, and submit a budget for the year to the membership for adoption.
- g) Approve and pay routine bills within the limits of the budget.

The executive committee shall take no action in conflict with any vote taken by the general membership on matters for which the general membership has voting rights.

Section 5. Election and Term of Office

Except for the first year of the organization, each officer shall hold a term of office for a period of two (2) fiscal years and until his or her successor is elected and qualifies. To increase the stability of the board, elections will be staggered as follows:

Even year: election of President, Assistant Treasurer

Odd year: election of Vice President, Clerk, Treasurer

The election of officers will take place during the Annual Membership Meeting according to the following provisions:

- a) Written notice for the purpose of eliciting nominations shall be provided to the general membership no later than May 1.
- b) All candidates must submit their name in writing to the Clerk no less than ten (10) days prior to the date of the annual meeting.
- c) Nominations for a candidate must contain signatures of not less than five (5) members and be received by the Clerk no less than ten (10) days prior to the date of the annual meeting.
- d) Nominations from the floor may only be made if there is no nomination on the ballot for an office.
- e) The candidates receiving the highest number of votes shall be elected. Each voting member shall cast one vote. Where only one candidate for an office exists, voting may be held by voice. Voting must be by ballot only when there is more than one candidate for an office.
- f) Notice of the election results must be sent to all members in writing and may be given personally, by first class mail, or by email.
- g) All ballots must be secured by the outgoing nominating committee, held for thirty (30) days, then destroyed.
- h) No candidate is allowed to count votes.
- i) No candidate may be elected to serve in more than one officer position.

Section 6. Compensation

Officers shall serve without compensation.

Section 7. Meetings

a) Types of Meetings

- **Regular Board meetings** shall be held at a public location as may be designated from time to time by resolution of the executive board. The purpose of the meetings shall be to conduct standard business of the board and set the agenda for regular membership meetings. Regular Board meetings shall be open to the general membership; however, membership shall be seated without the right of participation unless otherwise allowed by the board.

At least ten (10) days prior notice shall be given by the clerk of the organization to each officer of each regular meeting of the board. Such notice must be written, may be given personally, by first class mail, or by email, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting.

- **Special Board meetings** of the executive board may be called by any officer or by the persons specifically authorized under the laws of this

state to call special meetings of the board. Such meetings shall be held at a public location designated by the person or persons calling the special meeting. Special meetings shall be open to the general membership; however, membership shall be seated without the right of participation unless otherwise allowed by the board or by the laws of this state. Only business within the purpose or purposes stated in the notice of a special meeting of members may be conducted at the meeting

At least one week prior notice shall be given by the clerk of the organization to each officer of each meeting of the board. Such notice must be written and may be given by first class mail or by email, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting.

- **Executive Sessions** may be held during regular or special board meetings and shall be closed to the membership and the general public. The purpose of executive session is to discuss confidential or sensitive information that shall not be disclosed.
- b) A **quorum** for meetings shall consist of three (3) of the members of the executive board. Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.
- c) **Majority Action by the Board:** Every act or decision done or made by a majority of the officers present at a meeting duly held at which a quorum is present is the act of the executive board, unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board voting rules for approval of a matter by the board.
- d) **Conduct of Meetings:** Meetings of the executive board shall be presided over by the president of the organization, or in his or her absence, by the vice president of the organization, or in the absence of each of these persons, by a chairperson chosen by a majority of the officers present at the meeting. The clerk of the organization shall act as clerk of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as clerk of the meeting.

Meetings shall be governed by Robert's Rules of Order, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

Section 8. Reasons for Vacancies

Vacancies on the executive board shall exist (1) on the death, resignation, or removal of any officer, and (2) whenever the number of authorized officers is increased.

Any officer may resign effective upon giving written notice to the president, the clerk, or the executive board, unless the notice specifies a later time for the effectiveness of such resignation.

Officers may be removed from office, as permitted by and in accordance with the laws of this state, when an officer fails to attend two consecutive meetings without adequate excuse, is not fulfilling the responsibilities of the office as prescribed in the bylaws, or engages in conduct which the membership or board determines to be injurious to the organization or its purposes. In such a case:

- a) by a majority vote affirmative vote of either the executive board or the general membership present at the meeting in which the vote is taken, the executive board may take such action as it determines appropriate, which may include: (1) asking for the resignation of the officer or (2) making a formal recommendation that the officer be removed from office following a hearing conducted in accordance with Due Process described as follows.
- b) Following the affirmative vote recommending that the officer be removed from office, the officer must be given fifteen (15) days' written notice of the hearing to remove the officer from office. The written notice shall contain the reasons for the proposed removal and shall be mailed certified mail, return receipt requested, to the last address of the officer shown on the association's records.
- c) At the hearing, the officer must be given an opportunity to address the membership, either orally or in writing.
- d) Not more than thirty (30) days following the hearing, the membership shall convene and vote whether the officer will be removed from office. A two-thirds (2/3) affirmative vote of the general membership present at the hearing shall be sufficient to remove the officer from office. The vote shall be recorded in the meeting minutes and shall specify the number voting in favor of and against such removal.
- e) Removal from office does not automatically revoke membership.

Section 9. Filling Vacancies

- a) In the case of a vacancy in the office of the president, the vice president shall assume the role of president until the next election.
- b) In the event of a vacancy in any office other than that of the president, such vacancy will be filled by an election to be held no later than sixty (60) days from the date of vacancy.
- c) The election to fill a vacancy will be held during a regular or special membership meeting and will follow all other specifications of Article 3, Section 5, terms (b) through (i), substituting "regular or special membership meeting" in place of "annual meeting."
- d) In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment of the board, until such time as the election is complete and the newly elected officer takes office.

Section 10. Nonliability of Officers

The officers shall not be personally liable for the debts, liabilities, or other obligations of the organization.

Section 11. Indemnification by organization of Officers

The officers of the organization shall be indemnified by the organization to the fullest extent permissible under the laws of this state.

Section 12. Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the executive board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the organization (including an officer, member, or other agent of the organization) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the organization would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

Article 4 Members

Section 1. Qualifications of Members

All of the following qualifications must be met to obtain membership in the organization:

- a) The individual must be interested in promoting the Dighton-Rehoboth Marching Band
- b) The individual must be age 18
- c) The individual may not be a high school student or an active student member of the Dighton-Rehoboth Marching Band.
- d) If membership in the organization had been previously revoked, the individual must be reinstated into membership according to the bylaws.

No individual will be discriminated against or barred from membership due to race, gender, class, creed, color, or home address.

Section 2. Determination and Rights of Members

Annual membership shall run from August 1 through July 31.

The organization shall consist of voting and non-voting members. A voting member shall be any member who:

- a) Became a member as of November 1 of the membership year
- b) Became a member within thirty (30) days of his/her child, grandchild, or ward joining the marching band.
- c) Does not qualify under (a) or (b), but has attended two (2) consecutive regular membership meetings. In this situation, the member will earn voting privileges at the conclusion of the second regular membership meeting.

All members not qualifying as voting members shall be nonvoting members.

No member shall hold more than one membership in the organization.

Except as expressly provided in or authorized by the articles of incorporation, the bylaws of this organization, or provisions of law, all memberships shall have the same remaining rights, privileges, restrictions, and conditions.

Section 3. Number of Members

There is no limit on the number of members the organization may admit.

Section 4. Nonliability of Members

A member of this organization is not, as such, personally liable for the debts, liabilities, or obligations of the organization.

Section 5. Nontransferability of Memberships

No member may transfer a membership or any right arising therefrom. All rights of membership cease upon the member's death.

Section 6. Termination of Membership

Membership shall be revoked upon the occurrence of any of the following events:

- a) Upon a member's notice of such termination delivered to the president or clerk of the organization personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail.
- b) Upon a failure to renew membership.
- c) Upon a determination that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the organization and following due process for expulsion.
 - i. by a majority affirmative vote of either the executive board or the general membership present at the meeting in which the vote is taken, the executive board may take such action as it determines appropriate, which may include: (1) asking the member to render notice of

termination and/or (2) making a formal recommendation that the membership be revoked.

- ii. Following a formal recommendation a member be expelled from the organization, the member must be given fifteen (15) days' written notice of the hearing to revoke membership. The written notice shall contain the reasons for the proposed expulsion and shall be mailed certified mail, return receipt requested, to the last address of the member shown on the association's records.
- iii. At the hearing, the member must be given an opportunity to address the membership, either orally or in writing.
- iv. A two-thirds (2/3) affirmative vote of the entire voting membership or a three-quarters (3/4) affirmative vote of the voting membership present at the hearing shall be sufficient to expel a member.
- v. The removal vote shall be recorded in the meeting minutes and shall specify the number voting in favor of and against such expulsion.

All rights of a member in the organization shall cease on termination of membership as herein provided.

Section 7. Reinstatement of Membership

Unless expelled from the organization, membership may be reinstated within the current membership year by submission of a new application form. Upon receipt of the membership application, the individual will be reinstated into his/her original membership class (voting or non-voting) for the membership year.

Members expelled from the organization may not obtain membership for the remainder of the membership year. Expelled members seeking to obtain membership after that time may only do so by a two-thirds (2/3) affirmative vote of the membership. Upon the affirmative vote of the membership, the expelled member must complete the membership application.

Article 5 Membership Meetings

Section 1. Regular Meetings

Meetings of members shall be held at a public location as may be designated from time to time by resolution of the executive board for the purpose of conducting business of the organization. All attempts will be made to hold regular meetings on a monthly-basis from August through May.

The September meeting of the members shall serve as the annual budget meeting. At the annual budget meeting, the Treasurer shall cause a sufficient number of proposed budgets

to be printed to accommodate the membership present at the meeting. Budget items and/or amounts may be approved, revised, eliminated or added by a simple majority of the voting members present at the annual budget meeting or at any regular or special meeting thereafter.

Section 2. Special Meetings of Members

Special meetings of the members shall be called by the executive board, the chairperson of the board, or the president of the organization, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the members.

A special meeting is typically called to discuss something different or unusual. Only business within the purpose or purposes stated in the notice of a special meeting of members may be conducted at the meeting.

Section 3. Annual Membership Meeting

The annual meeting of members shall be held in June, for the purpose of electing officers and transacting other business as may come before the meeting.

Section 4. Notice of Meetings

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, notice stating the place, day, and hour of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail or email, by or at the direction of the president, or the clerk, or the persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the organization, with postage prepaid. Personal notification includes notification by telephone.

The notice of any special meeting of members shall include the purpose or purposes for which the meeting is called.

The notice of any meeting of members at which officers are to be elected shall also state the names of all those who are nominees or candidates for election to the board at the time notice is given.

Section 5. Quorum for Meetings

A quorum shall consist of one tenth of the voting members of the organization.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

Section 6. Majority Action as Membership Action

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members, unless the articles of incorporation, these bylaws, or provisions of law require a greater number.

Section 7. Voting Rights

Each member is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by voice vote. Election of Officers, however, shall be by written ballot.

Section 8. Conduct of Meetings

Meetings of members shall be presided over by the president of the board or designee in accordance with Article 3, Section 1.

The clerk of the organization shall act as clerk of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as clerk of the meeting.

Meetings shall be governed by Robert's Rules of Order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

Article 6 Committees

Section 1. Executive Committee

The Executive Committee shall consist of the Executive board.

Section 2. Other Committees

The organization shall have such other committees as may from time to time be designated by resolution of the executive board.

Section 3. Meetings and Action of Committees

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the executive board, with such changes in the context of such bylaw provisions as are necessary to

substitute the committee and its members for the executive board and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the executive board or by the committee. The executive board may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

Article 7

Execution of Instruments, Deposits, and Funds

Section 1. Execution of Instruments

The executive board, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the organization to enter into any contract or execute and deliver any instrument in the name of and on behalf of the organization, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the organization by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Checks and Notes

Except as otherwise specifically determined by resolution of the executive board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the organization shall be signed by the treasurer and countersigned by the president of the organization.

Section 3. Deposits

All funds of the organization shall be deposited from time to time to the credit of the organization in such banks, trust companies, or other depositories as the executive board may select.

Section 4. Gifts

The executive board may accept on behalf of the organization any contribution, gift, bequest, or devise for the nonprofit purposes of this organization.

Section 5. Fiscal Year

The fiscal year shall run from August 1 through July 31.

Article 8 Corporate Records, Reports, and Seal

Section 1. Maintenance of Corporate Records

The organization shall keep at its principal office:

- a) Minutes of all meetings of officers, committees of the board, and all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c) A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- d) A copy of the organization's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the organization at all reasonable times during office hours.

Section 2. Corporate Seal

The executive board may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the organization. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3. Officers' Inspection Rights

Every officer shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the organization, and shall have such other rights to inspect the books, records, and properties of this organization as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 4. Members' Inspection Rights

Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

- a) To inspect and copy the record of all members' names (with address and contact information removed) and voting rights, at reasonable times, upon written demand on the clerk of the organization, which demand shall state the purpose for which the inspection rights are requested.

- b) To obtain from the clerk of the organization, upon written demand on, and payment of a costs to copy, the clerk of the organization, a list of the names and voting rights of those members entitled to vote for the election of officers as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available, with names only and excluding addresses and other contact information, within a reasonable time after the demand is received by the clerk of the organization or after the date specified therein as of which the list is to be compiled.
- c) To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the clerk of the organization by the member, for a purpose reasonably related to such person's interests as a member.

Members shall have such other rights to inspect the books, records, and properties of this organization as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 5. Right to Copy and Make Extracts

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 6. Periodic Report

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this organization, to be so prepared and delivered within the time limits set by law.

Article 9

IRC 501(c)(3) Tax Exemption Provisions

Section 1. Limitations on Activities

No substantial part of the activities of this organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this organization shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this organization shall not carry on any activities not permitted to be carried on (a) by a organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a

organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement

No part of the net earnings of this organization shall inure to the benefit of, or be distributable to, its members, officers or trustees, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this organization.

Section 3. Distribution of Assets

Upon the dissolution of this organization, its assets remaining after payment, or provision for payment, of all debts and liabilities of this organization, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Article 10 Conflict of Interest and Compensation Approval Policies

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer of the organization or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

- a) **Interested Person.** Any officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

- b) **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
- (1) An ownership or investment interest in any entity with which the organization has a transaction or arrangement;
 - (2) A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement;
or
 - (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures

- a) **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the officers and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b) **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c) **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or

committee shall determine by a majority vote of the disinterested officers whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- d) **Violations of the Conflicts of Interest Policy.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation Approval Policies

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

No member who receives compensation, directly or indirectly, from the organization, either individually or collectively, is prohibited from providing information regarding compensation.

When approving compensation for officers, members, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections and paragraphs of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b) all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - (1) is not the person who is the subject of the compensation arrangement, or a family member of such person;
 - (2) is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 - (3) does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 - (4) has no material financial interest affected by the compensation arrangement; and
 - (5) does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c) the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 - (1) compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 - (2) the availability of similar services in the geographic area of this organization;
 - (3) current compensation surveys compiled by independent firms;
 - (4) actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d) the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
- (1) the terms of the compensation arrangement and the date it was approved;
 - (2) the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 - (3) the comparability data obtained and relied upon and how the data was obtained;
 - (4) If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
 - (5) If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
 - (6) any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
 - (7) The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 6. Annual Statements

Each officer, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a) has received a copy of the conflicts of interest policy;

- b) has read and understands the policy;
- c) has agreed to comply with the policy; and
- d) understands the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article 11 Amendment of Bylaws

Section 1. Amendment

Subject to the power of the members of this organization to adopt, amend, or repeal the bylaws of this organization and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of majority vote of the membership in attendance at the meeting following the meeting during which the amendment was proposed.

Article 12
Construction and Terms

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this organization, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this organization filed with an office of this state and used to establish the legal existence of this organization.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.