

**BYLAWS  
FOR  
YUCAIPA HIGH  
SCHOOL PARENT,  
TEACHER, STUDENT  
ORGANIZATION**

**PTSO Organized on 8/12/10**

**Bylaws adopted on 8/12/10**

**Tax-exempt ID No.: 32-0393142**

# BYLAWS

of the

## YUCAIPA HIGH SCHOOL PARENT-TEACHER-STUDENT ORGANIZATION, INC.

### ARTICLE I NAME AND PURPOSES

**Section 1.01. Name.** The name of the organization is YUCAIPA HIGH SCHOOL PARENT-TEACHER-STUDENT ORGANIZATION, INC. (hereinafter referred to as the “PTSO”).

**Section 1.02. Purpose.**

- a. The PTSO is organized for the purpose of supporting and fostering relationships among students, faculty, staff and parents in matters related to the educational experiences of students at Yucaipa High School (hereinafter referred to as “YHS”). Support shall be provided in, but not limited to, the following areas: communication, building spirit, expanding learning opportunities, and offering scholarships.
- b. This PTSO is organized exclusively for the charitable, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or corresponding Section of any future Federal tax code (hereinafter referred to as the “Internal Revenue Code”).

### ARTICLE II MEMBERS

**Section 2.01. Qualifications.** Membership may be granted to any individual (parent, guardians or other adult standing in loco parentis for a student at YHS, students at YHS, staff at YHS, and faculty at YHS) that supports the mission and purpose of the PTSO, and who pays the annual dues as set by the PTSO Board. Members shall have voting rights. The PTSO Board may establish additional membership.

**Section 2.02. Dues.** Dues, if any, will be established by the PTSO. If dues are charged, a member must have paid his or her dues before any meeting to be considered a member in good standing with voting rights.

**Section 2.03. Enrollment.** The PTSO shall conduct an annual enrollment of members but may admit persons to membership at any time.

**Section 2.04. Quorum.** A quorum of the membership shall be established for the transaction of business in any meeting of the membership. Eight (8) members shall constitute a quorum.

**Section 2.05. Voting.** The privilege of making motions, debating and voting shall be limited to the members of this PTSO who are present and whose dues are paid.

**Section 2.06. Termination of Membership.** The PTSO Board, by affirmative vote of a quorum of all of the members of the Board, may suspend or expel a member, and may, by a majority vote or those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues.

**Section 2.07. Resignation.** Any member may resign by filing a written resignation with the Secretary; however, such resignation shall not relieve the member so resigning of the obligation to pay any dues or other charges theretofore accrued and unpaid.

**Section 2.08. Meetings.** Meetings of the membership of the PTSO will be held monthly in conjunction with the PTSO Board meetings (see Section 3.07(a)) on the 2<sup>nd</sup> Thursday at 3:15 pm at YHS. Meetings are open to all members and shall be announced well in advance. The Annual Election Meeting in April will be when the new PTSO Board members are elected, to receive reports from the PTSO Board, to ratify actions of the PTSO Board, and to conduct other business that should arise. The secretary will give notice of this Annual Election Meeting in advance to each member, and the homes of the incoming freshman.

**Section 2.09. Items Subject to Ratification.** The following items are subject to ratification by the general membership and can be ratified at any regular membership meeting: 1) amendment to bylaws; 2) approval of budget; and 3) approval of all financial transactions taken by the PTSO Board.

### **ARTICLE III PTSO BOARD AND GUIDELINES**

**Section 3.01. PTSO Board.** The PTSO Board is made up of the president, 1<sup>st</sup> vice-president/fundraising, 2<sup>nd</sup> vice-president/membership, secretary, treasurer, historian, auditor, hospitality coordinator, parliamentarian, principal and/or a representative assigned by the principal in his/her behalf, faculty liaison, a minimum of two (2) student representatives, communication coordinator, volunteer coordinator, and superintendent's parent advisory council representative.

**Section 3.02. Eligibility.** All officers of the PTSO board shall be members of this PTSO in good standing. All officers, with the exception of the principal or his/her appointed representative and the faculty liaison shall be elected annually. The principal or his/her appointed representative and the faculty liaison, although not elected officers, serve in an advisory capacity with full voting privileges.

**Section 3.03. Terms of Office.** Officers are elected for one year and may serve no more than two (2) consecutive terms in the same office. Officers of the PTSO Board may hold more than one position as long as the positions are not in conflict with any financial matters (*i.e.*, an officer can not be the treasurer and the auditor or the treasurer and any other authorized signer on the account). Written records and relevant information should be passed from each outgoing PTSO Board member to each new PTSO Board member at the meeting held in June.

**Section 3.04. Vacancies and Resignation.** If there is a vacancy in the office of president, the 1<sup>st</sup> vice-president will become the president, and so forth. At the next regularly scheduled Board meeting, a new 1<sup>st</sup> vice-president will be elected. In the event of a vacancy in any other PTSO office, the PTSO Board can appoint a member to serve the remainder of the term. Resignations are effective upon receipt by the secretary of written notification.

**Section 3.05. Removal from Office.** Officers can be removed from office with or without cause by a vote of a quorum of those present at a regular meeting of the PTSO Board where previous notice has been given.

**Section 3.06. Quorum.** The PTSO Board shall establish a quorum for the transaction of any business in any meeting of the PTSO Board. A quorum of the PTSO Board shall consist of a majority plus one (1) of the Board attending in person. If less than a majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting on occasion without further notice.

**Section 3.07. Regular, Special & Work Meetings.**

- a. The regular meeting of the PTSO Board shall be on the second Thursday of each month during the school year at 3:15 pm at YHS, or at a time and place to be determined by the PTSO Board at least one month before the meeting.
- b. Special meetings of the PTSO Board may be called by the president upon the written request of four (4) members of the Board. Special meetings shall be at such dates, times and places as the president shall determine. Notice of such special meetings shall be made by the secretary to all PTSO Board members at least seven (7) days prior to that meeting. Only business mentioned in the notice of a special meeting can be transacted at that meeting.
- c. The PTSO Board can also have work sessions as called by the president. Work sessions are held to plan, coordinate, and establish the budget, programs, and other activities the PTSO wants to accomplish during the current school year. Membership meetings and work sessions are open to all parents, students, and staff. Notice of work meetings shall be made by the secretary to all PTSO Board members and general membership at least seven (7) days prior to that meeting.

**Section 3.08. Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the PTSO Board or of any committee may be taken without a meeting if all the members of the Board or committee consent in writing, by email, text messaging, or phone call to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee as the case may be.

**Section 3.09. Transacting Business, Payment of Association Bills, etc.** The PTSO Board may transact any necessary business between meetings of the membership and such other business as may be referred by the association, including, but not limited to:

- a. Authorizing payment of association bills within the limits of the budget adopted by the membership. Such action must be ratified at the next membership meeting and must be recorded in the membership meetings.

- b. Authorize payment of other unbudgeted membership bills not to exceed a cumulative total of Five Hundred dollars (\$500.00) between meetings of the membership. Ratification of payment of these bills must occur at the next membership meeting and must be recorded in the membership minutes.

## **ARTICLE IV DUTIES OF PTSO BOARD OFFICERS**

### **Section 4.01. President.** The president shall:

- a. Preside over meetings of the organization and PTSO Board.
- b. Serve as the primary contact for the principal and/or his/her appointed representative.
- c. Represent the organization at meetings outside the organization.
- d. Serve as an ex officio member of all committees except the nominating committee.
- e. Coordinate the work of all the officers and committees so that the purposes of the organization are served.
- f. Appoint the chairmen and members of committees, subject to the ratification of the PTSO Board.
- g. Sign all authorizations for payment as required by the PTSO Board or membership.
- h. Have all newsletters, flyers, and/or notices approved by the principal or his/her appointed representative prior to distribution.
- i. Have all contracts and/or legally binding documents approved by the PTSO Board, prior to signing a contract along with another elected officer.
- j. Be authorized to sign checks, and not be related by blood or marriage or reside in the same household as the other authorized signers for the PTSO's financial accounts.
- k. Perform such other duties as may be prescribed in these Bylaws or assigned by the PTSO.

### **Section 4.02. 1<sup>st</sup> Vice-President/Fundraising.** The 1<sup>st</sup> Vice-President shall:

- a. Act as the fundraising chair for the PTSO.
- b. Act as an aid to the president.
- c. Shall preside in the absence of the president.
- d. Be authorized to sign checks, and not be related by blood or marriage or reside in the same household as the other authorized signers for the PTSO's financial accounts.
- e. Shall coordinate fundraising efforts with YHS staff, students, parents, and others from the community.
- f. Shall maintain accurate records of all fundraising activities, including, but not limited to financial records.
- g. Shall work with the treasurer in assuring all monies received from fundraising are collected, counted, and appropriately deposited in the financial institution of the PTSO.
- h. Perform such other duties as may be prescribed in these Bylaws or assigned by the president or the PTSO.

**Section 4.03. 2<sup>nd</sup> Vice-President/Membership.** The 2<sup>nd</sup> Vice-President shall:

- a. Act as the membership chair for the PTSO.
- b. Act as an aid to the president.
- c. Shall preside in the absence of the president and 1<sup>st</sup> vice-president.
- d. Be authorized to sign checks, and not be related by blood or marriage or reside in the same household as the other authorized signers for the PTSO's financial accounts.
- e. Shall coordinate work with YHS Technology staff, other staff members, students, parents, and others from the community to promote and encourage membership in the PTSO.
- f. Shall maintain an accurate and up-to-date record of name, address, phone number, and email address of all membership of the PTSO.
- g. Shall provide the secretary and other PTSO Board members with membership list.
- h. Perform such other duties as may be prescribed in these Bylaws or assigned by the president or the PTSO.

**Section 4.04. Secretary.** The Secretary shall:

- a. Keep an accurate record of the proceedings and expenditures of all meetings of the organization and the PTSO Board in a bound book.
- b. Shall take and record minutes, prepare the agenda, handle correspondence, and send notices of meetings to the membership.
- c. Shall prepare a list of all unfinished business for the use of the president.
- d. Keep a current list of the paid members of the organization provided by the 2<sup>nd</sup> Vice-President/Membership.
- e. Keep a current signed original set of the bylaws and standing rules.
- f. Bring any necessary supplies to the meetings.
- g. Be authorized to sign checks, and not be related by blood or marriage or reside in the same household as the other authorized signers for the PTSO's financial accounts.
- h. Sign all authorizations for payment authorizing the expenditure of funds following approval by the membership or PTSO Board in accordance with these bylaws.
- i. Notify PTSO board members of their election and chairmen of their appointments.
- j. Perform such other duties as may be delegated to.

**Section 4.05. Treasurer.** The Treasurer shall:

- a. Receive all funds of the organization, giving a receipt therefore, and deposit said funds immediately in a financial institution approved by the PTSO Board.
- b. Keep an accurate, permanent book of account in which all receipts and expenditures are recorded and keep all receipts, deposit slips, payment authorization forms, etc. as part of the financial records of the PTSO.
- c. Pay out funds in accordance with the approval of the PTSO Board.
- d. Chair the budget committee and prepare the budget for adoption by the membership of the organization.

- e. Contact the financial institution of the PTSO to secure signatures of all authorized signers on all checking and savings account signature cards and file with the institution immediately upon taking office.
- f. Be authorized to sign checks, and not be related by blood or marriage or reside in the same household as the other authorized signers for the PTSO's financial accounts.
- g. Pay all bills as authorized by the PTSO Board or the membership and on receipt of the authorization for payment signed by the secretary and the president.
- h. Secure two signatures on all checks. Any two of the following are authorized to sign: President, 1<sup>st</sup> Vice-President, 2<sup>nd</sup> Vice-President, and Treasurer.
- i. Keep the membership informed of expenditures as they relate to the budget adopted by the organization.
- j. Present a written or typed treasurer's report at every meeting of the PTSO Board and at the meetings of the membership and at other times as requested.
- k. Make sure that at least two (2) people are present when counting any monies received and that a cash verification form is properly filled out and signed by the individuals that counted the money. Keep a copy of the cash verification form with the deposit slip from the financial institution.
- l. Turn over all records, the book of account, and other financial paperwork to the auditor for the annual audits to be performed in July.
- m. Prepare and present an annual financial report at the end of the year to the PTSO Board and the membership.
- n. Be responsible to prepare and file any forms for insurance, tax return forms, and other forms required by state and federal government agencies by the due date.
- o. Perform such other duties as may be delegated to.

**Section 4.06. Auditor.** The Auditor shall:

- a. Audit the books and financial records of the PTSO annually to be completed in July.
- b. Present a written report of the audit to the PTSO Board at the August meeting of the PTSO Board.
- c. Present a written report of the audit for adoption by the membership at the meetings of the membership.
- d. Audit the books upon the resignation of the treasurer or any check signer and at any time deemed necessary.
- e. Not be related by blood or marriage or reside in the same household as the financial officers and/or authorized signers of checks.
- f. Be responsible for verifying on the audit report that all necessary report forms required for insurance, tax returns, and other forms required by state and federal government agencies have been completed and filed by the due date.

**Section 4.07. Historian.** The Historian shall:

- a. Assemble and preserve a record of the activities, achievements and volunteer hours of the PTSO.
- b. Act as custodian of records and other materials related to the history of the PTSO.
- c. Perform such other duties as may be delegated to.

**Section 4.08. Parliamentarian.** The Parliamentarian shall:

- a. Attend all meetings of the PTSO Board and the meetings of the membership and give necessary advice regarding parliamentary procedure when requested.
- b. Chair the nominating committee and conduct the elections at the Annual April Election meeting of the membership.
- c. Chair the bylaws committee and review the bylaws and standing rules annually.
- d. Perform such other duties as may be delegated to.

**Section 4.09. Principal or His/Her Assigned Representative.** The Principal or his/her assigned representative shall:

- a. Attend all meetings of the PTSO Board and the meetings of the membership.
- b. Give a report at the meetings about relevant school issues, events, awards, needs, concerns, activities, etc.
- c. Act in an advisory position to the PTSO Board.
- d. Have full voting privileges.

**Section 4.10. Faculty Liaison.** The Faculty Liaison shall:

- a. Attend all meetings of the PTSO Board and the meetings of the membership.
- b. Give a report at the meetings about relevant issues regarding school staff.
- c. Report to the school staff about any relevant issues from the PTSO Board meetings or the meetings of the membership.
- d. Coordinate communication between the PTSO Board and the school staff.
- e. Have full voting privileges.

**Section 4.11. Student Representatives.** The Student Representatives shall:

- a. Attend all meetings of the PTSO Board and the meetings of the membership.
- b. Be the liaison between the PTSO Board and the student body.
- c. Give a report at the meetings about relevant issues or concerns from the student body.
- d. Report to the YHS Student Council any information received from the PTSO Board or the membership meetings.
- e. Have full voting privileges.

**Section 4.12. Communications Coordinator.** The Communications Coordinator shall:

- a. Chair the committee for communications.
- b. Coordinate committees that are designed to enhance communication between parents, students, staff, and the community.
- c. Work with YHS Technology to effectively communicate PTSO and YHS school announcements, news, events, and meetings to the PTSO membership.
- d. Give a report at all meetings of the PTSO Board and meetings of the membership regarding communication issues or concerns.

**Section 4.13. Volunteer Coordinator.** The Volunteer Coordinator shall:

- a. Chair the committee for volunteers.
- b. Be responsible for recruiting volunteers to assist YHS and the PTSO with special events or other activities as deemed necessary, and keep an updated list of volunteers.
- c. Work with the YHS Volunteer Coordinator to organize and distribute relevant lists of volunteers to appropriate committee chairpersons and school staff.
- d. Act as a liaison between YHS and the community.
- e. Give a report at all meetings of any issues or concerns, and present a list of volunteers at the meetings.

**Section 4.14. Superintendent's Parent Advisory Council Representative.** The Superintendent's Parent Advisory Council Representative shall:

- a. Attend all Yucaipa-Calimesa Joint Unified School District and School Board meetings.
- b. Give a report at all meetings of the PTSO Board and the membership of information received at the District and School Board meetings.
- c. Coordinate with the Communications Coordinator that all relevant information obtained at the District and School Board meetings is presented effectively to the PTSO membership and YHS community.

**Section 4.15. Hospitality Coordinator.** The Hospitality Coordinator shall:

- a. Chair the committee for hospitality.
- b. Coordinate with volunteers and YHS to provide hospitality for various school functions, such as awards night, graduation night, teacher/staff appreciation week, or others.

**ARTICLE V  
COMMITTEES**

**Section 5.01. Membership.** Committees may consist of general members and PTSO Board members with the president acting as an ex officio member of all committees.

**Section 5.02. Appointment of Chairpersons.** The president shall appoint the chairperson of a committee subject to ratification by the PTSO Board. The secretary shall notify the chairperson of his/her appointment.

**Section 5.02. Standing Committees.** The following committees shall be held by the organization: fundraising, hospitality, membership, communications, volunteers, nominating.

**Section 5.03. Additional Committees.** The PTSO Board may appoint additional committees as needed.

**Section 5.04. Duties.** The PTSO Board may delegate to the committee chair and his/her committee authority to establish procedures to govern their activities that are in accordance with the mission and purpose of the PTSO, subject to ratification by the PTSO Board.

**Section 5.05. Flyers & Other Publications.** The committee chair is responsible to give to the president all flyers and other publications to be approved by the principal or his/her appointed representative before such documents are distributed to the general PTSO membership.

## **ARTICLE VI FINANCES**

**Section 6.01. Budget.** Before the new school year begins, the treasurer shall chair a committee to prepare and draft a tentative budget, present it to the PTSO Board and the general membership for approval. The budget must be approved by a majority vote of the members present.

**Section 6.02. Financial Institution.** The PTSO Board will approve the financial institution to be used by the PTSO.

**Section 6.03. Signers.** Two (2) authorized signatures shall be required on each check written. Authorized signers may or may not include the following: president, 1<sup>st</sup> vice-president, 2<sup>nd</sup> vice-president, treasurer, and secretary. The treasurer shall secure the appropriate signature cards (see Section 4.05(e) above).

**Section 6.04. Deposits & Withdrawals.** All monies have to be deposited in the PTSO account within 24 hours of the completion of the cash verification form. If no night drop is available for the deposit, then the deposit has to be made within 48 business hours. The treasurer shall keep a record of all deposit slips, withdrawal slips, and cash verification forms.

**Section 6.05. Use of Debit Card.** If the financial institution of the PTSO requires that the PTSO have a debit card, use of the debit card should be approved by the PTSO Board subject to ratification of a quorum of the membership. At least two (2) PTSO Board signers on the account should be present when the debit card is used. The treasurer shall keep all debit card receipts as part of the PTSO records.

**Section 6.06. Counting Monies.** Two (2) PTSO Board members must be present to count/collect all monies. All monies should be counted at the school site. When counting monies, a cash verification form must be filled out and verified (signed) by those counting the monies. The cash verification form is to be given to and retained by the treasurer for his/her records.

**Section 6.07. Approval of Expenses.** The PTSO Board shall approve all expenses of the PTSO subject to the ratification of a quorum of the membership.

**Section 6.08. Dissolution of PTSO.** Upon the dissolution of the PTSO, any remaining funds should be used to pay any outstanding bills and, with the membership's approval, spent for the benefit of YHS.

**Section 6.09. Fiscal Year.** The fiscal year shall coordinate with the school year.

**Section 6.10. Additional Information.** Additional information regarding finances is found under Section 4.05, Treasurer.

## **ARTICLE VII ELECTIONS**

**Section 7.01. Nominating Chairperson.** The parliamentarian shall serve as the chairperson for the nominating committee.

**Section 7.02. Nominating Committee.**

- a. The Nominating Committee shall be elected by the PTSO Board at least two (2) months prior to the annual election meeting, and shall consist of five (5) members with two (2) alternates, all of whom shall be members of the PTSO.
- b. The principal or his/her appointed representative shall serve in an advisory capacity.
- c. The president shall not serve ex officio or be elected to the nominating committee.
- d. Alternates shall only attend a meeting of the nominating committee if an elected committee member cannot be present at the first meeting. In that event, the alternate becomes the permanent member.
- e. A written and verbal report of the nominating committee shall be submitted to the PTSO Board and the membership at least thirty (30) days prior to the annual election meeting.
- f. At the annual election meeting in April, additional nominations may be called for from the floor.

**Section 7.03. Elections.** Elections shall be held by voice vote at the annual election meeting in April. If there is more than one (1) nominee for office, the elections shall be held by ballot.

**Section 7.04. Eligibility of Nominees & Responsibilities.**

- a. The privilege of holding office shall be limited to members of the PTSO whose dues are paid.
- b. Only those eligible persons who have signified their consent to serve if elected shall be nominated for or elected to office.
- c. Nominees for president, 1<sup>st</sup> vice-president, 2<sup>nd</sup> vice-president, treasurer, and auditor, or any elected officer authorized to sign checks shall not be related by blood marriage or reside in the same household.
- d. Officers shall serve for a term of one (1) year or until their successors are elected. No officer shall be eligible to the same office for more than two (2) consecutive terms. Officers shall assume their duties on July 1.
- e. In the event that no successor is elected, the position is declared vacant. Vacant positions must be filled by the PTSO Board or PTSO board-elect by election and shall require a majority vote.
- f. In the case a vacancy occurs in the office of president-elect, the 1<sup>st</sup> vice-president shall serve as president-elect.
- g. The president-elect may call meetings of the PTSO Board-elect and the principal or his/her appointed representative as necessary to ratify the appointments of officers and chairmen of committees, to fill vacancies on the board-elect, and to make plans for the coming year's work.

**ARTICLE VIII  
PARLIMENTARY AUTHORITY**

Robert's Rues of Order shall govern meetings when they are not in conflict with the PTSO's bylaws.

**ARTICLE IX  
STANDING RULES**

The PTSO Board may approve standing rules, and the secretary shall keep a record of the standing rules for future reference.

**ARTICLE X  
DISSOLUTION**

The PTSO may not be dissolved without good cause. Good cause will be determined by a two-thirds vote of the PTSO membership in attendance at a special meeting called by the president. The special meeting will be held sixty (60) days or more after the president receives a written request for dissolution from four (4) or more members of the PTSO. The request for dissolution must state the reasons for the request. Notice of the special meeting will be given by the secretary to the PTSO membership.

## **ARTICLE XI AMENDMENTS**

These bylaws may be amended at any regular or special meeting, providing that previous notice was given in writing at the prior meeting and then sent to all members of the PTSO by the secretary. Notice may be given by postal mail, e-mail, or fax. Amendments will be approved by a two-thirds vote of those present, assuming a quorum.

## **ARTICLE XII CONFLICT OF INTEREST POLICY**

**Section 12.01. Purpose.** The purpose of the conflict of interest policy is to protect this PTSO's (hereinafter referred to as "Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Section 12.02. Definitions.**

- a. Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers, 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:
  - i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
  - ii. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
  - iii. 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 Article III, Section 2, 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 12.03. 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 directors 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.
  - i. 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.
  - ii. 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.
  - iii. 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 directors 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.**
  - i. 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.
  - ii. 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 and corrective action.

**Section 12.04. Records of Proceedings.** The minutes 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 12.05. Compensation.**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Section 12.06. Annual Statements.** Each director and principal officer 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 12.07. 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.

**Section 12.08. Use of Outside Experts.** When conducting the periodic reviews as provided for in Article VII, 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.

