

CORPORATE REGULATIONS

OF

HYDE PARK SCHOOL PTO, INC.

Adopted October 4, 2012

ARTICLE I – NAME

The name of the organization shall be the Hyde Park School PTO, Inc. (“PTO”).

ARTICLE II – PURPOSE

The PTO is organized for the purpose of supporting the education, health, safety and welfare of all students at Hyde Park School (“School”) by fostering relationships among community, school, parents, and teachers in an effort to:

- a. Promote the welfare of students in home, school and community.
- b. Promote understanding between parents, school and students through an exchange of ideas on topics of mutual interest.
- c. Facilitate the relationship between the home and the school so that parents and teachers may cooperate in the education of the students.
- d. Work with the School administration and the general public in a unified effort to secure the best possible education for every student with the resources available.

ARTICLE III – MEMBERS

Section 1. Composition.

The PTO will be made up of members (“Members”) in accordance with the membership policies contained in these Regulations and other policies as may be adopted by the Board from time to time.

Any parent, guardian, or other adult standing in loco parentis for a student at the School may be a Member and shall have voting rights in accordance with these Regulations.

Section 2. Member Dues.

The Board will adopt membership dues to be paid by each Member on an annual basis. Members shall be admitted at any time during a fiscal year so long as he/she meets any requirements for membership. Partial year memberships shall not be prorated.

Section 3. Fiscal Year.

Membership will be on an annual basis and will coincide with the fiscal year adopted by the Board.

Section 4. Member Voting Rights.

Members shall be entitled to one (1) vote in all matters requiring a vote of the Members. There can only be one membership per student. A Member must have paid his or her dues at least 14 calendar days before the meeting to be considered a Member in good standing with voting rights.

Voting by proxy or absentee ballot is not permitted.

ARTICLE IV – OFFICERS AND ELECTIONS

Section 1. Officers.

The officers shall be a President, Vice President, Secretary, and Treasurer (“Officers”). No person may simultaneously hold more than one office.

a. President.

The President shall:

- i. Generally, oversee the operation and administration of the PTO to ensure that the PTO is serving its mission and fulfilling its purpose to its fullest extent.
- ii. Preside over all meetings of the Members and of the Board.
- iii. Appoint chairpersons of Standing Committees.
- iv. Call special meetings.
- v. Attend various Standing Committee meetings on as needed basis.
- vi. Coordinate the work of all the Officers and Standing Committees so that the purpose of the organization is served.
- vii. Perform such other duties as are pertinent to the office.

b. Vice President.

The Vice President shall:

- i. Assist the President and carry out the President’s duties in his or her absence or inability to serve.
- ii. Following his/her initial term of office, the Vice President shall automatically, and without a vote, fill the office of President for the following year.
- iii. Perform such other duties as are pertinent to the office.

c. Secretary.

The Secretary shall:

- i. Keep all records of the organization, take and record minutes of all Board meetings and Member meetings, handle correspondence, and provide official notice to the Board and/or the Members where prescribed by these Regulations.
- ii. Certify resolutions, as appropriate, for the Corporation.
- iii. Minutes of all meetings shall be made available within ten (10) business days of the meeting and hard copies of which shall be signed and dated by the Secretary and placed in the Corporate Record Book. Additionally, the minutes shall be made available to the Members and making them available online on the PTO’s website shall be deemed sufficient for doing so.
- iv. The Secretary also keeps and maintains the original corporate records of the Corporation, including a book of the minutes of the Corporation, original copies of all resolutions of the Corporation, the Regulations of the Corporation, policies and a current Membership Directory (with the assistance of the Membership Committee Chairperson), which the Secretary shall bring to all Member and Board meetings of the Corporation.
- v. Conduct and maintain a record of all general correspondence of the PTO.
- vi. Receive and maintain a record of correspondence received by the PTO.
- vii. Perform such other duties as are pertinent to the office.

d. Treasurer.

The Treasurer shall:

- i. Conduct the financial operation of the PTO in accordance with these Regulations and the policies established by the Board.
- ii. Receive on behalf of, and account for all monies, of the PTO.
- iii. Keep accurate and up to date records of all receipts and expenditures of the PTO.
- iv. Distribute and otherwise pay out funds on behalf of the PTO as authorized by the Board.
- v. Assure that all books and records of the PTO are generally kept on cash basis and in accordance with the financial policies and procedures adopted by the Board.
- vi. Provide a financial report during all general meetings.
- vii. Close the books at the end of the fiscal year (June 30th) and prepare the books and records in a neat and orderly fashion to facilitate the orderly transition to the next person who fills the office of Treasurer.
- viii. Make disbursements as authorized by the president, board, or membership in accordance with the budget adopted yearly by the PTO.
- ix. Maintain policies of insurance on behalf of the PTO, its Officers and Board members in accordance with the policies established by the Board. Said insurance will include general liability coverage in a face amount of at least \$1,000,000. The PTO shall also carry appropriate levels (established by the Board) of D&O insurance coverage.
- x. Monitor and maintain compliance with IRC 501(c)(3) requirements to maintain tax exempt status and good standing on behalf of the PTO.
- xi. Perform such other duties as are pertinent to the office.

Section 2. Nominations and Elections.

a. Regular Elections.

Regular Elections will be held at the last Regular Meeting of the Fiscal Year. Voting shall be by voice vote if a slate of no more than one (1) candidate is presented or by written ballot if the slate of candidates contains more than one person running for an office, which ballots shall be counted and tabulated by at least two (2) members of the Nominating Committee.

b. Nominations – Regular Elections.

The Nominating Committee is responsible for constructing the slate of candidates for elections. At the second to the last Regular Meeting of the fiscal year, the Nominating Committee will announce that the election of officers will occur at the next Regular Meeting and will announce the Initial Nominees. The Nominating Committee will communicate verbally and in writing the process for submitting additional nominations for the offices.

i. Initial Nominations.

The Nominating Committee is responsible for putting together the list of Initial Nominations for each of the offices. The Initial Nominations will include at least one (1) nominee and no more than three (3) nominees for each office for which elections are being held.

ii. Nomination By Members.

Nominations may be made from the floor by the Members present at the second to the last Regular Meeting and Members may also submit candidates to be included on the slate until four (4) weeks prior to the final Regular Meeting of the fiscal year. The Nominating Committee will note each such nominee and include them on the slate of candidates.

iii. Final Slate of Candidates.

The Nominating Committee will publish and otherwise present the final slate of candidates to the Members at least two (2) weeks prior to the final Regular Meeting of the fiscal year.

If no candidate exists for a particular office to be filled by a vote of the Members, then a Member may submit for affirmation during the meeting at which the election is being held.

Section 3. Eligibility.

Members are eligible for office if they are Members in good standing at least 14 calendar days before the Nominating Committee presents its Initial Nominations.

Section 4. Terms of Office.

Officers are elected for one (1) year terms (excepting the Vice President, who will serve as President the following year) and may serve no more than two (2) consecutive terms in the same office. One person may hold only one office at one time. Each term will begin at the start of the fiscal year and will end on the last day of that fiscal year.

Section 5. Vacancies.

If there is a vacancy in the office of President, Vice President will become the President. In such event, the new President may appoint a Vice President until a Special Election may be held.

If there is a vacancy in any other office, the President shall appoint a replacement until a Special Election may be held.

Special Elections shall be held at the next Regular Meeting of the Members following the date on which the office is vacated. The Nominating Committee shall provide the Members with notice of the Special Election and the vacancy being filled at such Special Election at least fourteen (14) days prior to the Special Election. In the event the vacancy occurs within fourteen (14) days of the next Regular Meeting of the Members, then the Special Election shall be held at the following Regular Meeting, unless the Regular Election is to be held at that meeting. In this case, there will be no Special Election as the Regular Election will fill the vacated office. Nominations may be made by Members until the day prior to the Special Election.

Section 6. Removal From Office.

In addition to other provisions contained in these Regulations or in Policies adopted by the Board/PTO contemplating the removal of Officers from office, Officers may also be removed from office as follows:

- a. By Vote.
Officers can be removed from office with or without cause by a two-thirds vote of those Members present at a Regular Meeting or at a properly called Special Meeting.
- b. By Absence.
An Officer who misses three (3) consecutive Regular Board Meetings or a total of four (4) Regular Board Meetings during his/her term may be removed by the Board and, in the case of removal, his/her seat will be considered vacant and filled as provided in these Regulations.

ARTICLE V – MEMBER MEETINGS

Section 1. Regular Meetings.

The Regular Meetings of the Members of the PTO shall be held at least four (4) times annually. The annual meeting will be held at the May regular meeting. The annual meeting is for receiving reports, electing officers, and conducting other business that should arise. The Secretary will notify the Members of the meetings in a flyer or e-mail sent home with the students at least one week prior to the meeting.

Section 2. Special Meetings.

Special meetings may be called by the President, any two (2) Members of the Board, or five (5) regular Members submitting a written request to the Secretary. Previous notice of the special meeting shall be sent to the Members at least 10 days prior to the meeting, by flyer and telephone call.

Section 3. Quorum & Requirements.

There shall be no quorum requirements for a vote of the Members held at a Regular Meeting or properly called Special Meeting of the Members. Unless otherwise provided, actions by the Members require the affirmative vote of a simple majority of those Members present at the meeting and who have voting rights as provided in these Regulations.

Section 4. Actions Requiring Member Vote.

In addition to other actions requiring a vote of the Members, as provided elsewhere herein, the following shall require an affirmative vote of the Members. All votes shall be held at a Regular Meeting or Special Meeting of the Members.

- a. Officer Selection.
The Members shall vote on the selection of the Officers of the PTO.
- b. Annual Budget.
The Members shall vote on whether to adopt the annual budget of the PTO proposed by the Board.
- c. Amendment to the Regulations.
These Regulations may only be amended by the affirmative vote of two-thirds (2/3) of the Members present and entitled to vote at the meeting.
- d. Adoption of Significant policies.

Significant and/or material policies of the PTO shall be proposed by the Board and may only be adopted by an affirmative vote of the Members.

ARTICLE VI – BOARD OF DIRECTORS/EXECUTIVE BOARD

The Board of Directors/Executive Board (“Board”) will be ultimately responsible for all aspects of the PTO and to otherwise operate the PTO in furtherance of its purpose. The Board will have voting and non-voting members as provided herein.

Section 1. Membership.

- a. Voting Board Members (“Board”) shall consist of:
 - i. Officers, and
 - ii. Chairperson of each of the Standing Committees.
- b. Non-Voting Board Members.

Non-Voting Board Members may attend all meetings of the Board and may offer feedback and input. However, their role is strictly advisory and they shall not have any powers relative to the PTO in their role as a Non-Voting Board Member. Nothing contained in these Regulations shall be interpreted to provide these members with any authority, privilege or power relative to the PTO, other than any powers they have separately as Members, if so. Consequently, when the term “Board” is used herein relative it shall only be prescribed to mean the Voting Board Members.

The Non-Voting Board Members shall consist of:

- i. Principal of Hyde Park School,
- ii. LSDMC Liaison,
- iii. ILT Liaison,
- iv. Working Committee Chairpersons
- v. The past president of the PTO and
- vi. Other representatives, such as teachers, agreed upon by the Board.

Section 2. Duties.

The duties of the Board shall be to transact business by and on behalf of the PTO, to adopt standing rules and policies, create committees as necessary to carry out PTO’s purpose, prepare and submit an annual budget to the Membership, approve disbursements in accordance with these Regulations and any policies adopted by the Board and prepare reports and recommendations to the Members.

Each member of the Board shall review the Conflict of Interest Policy on an annual basis and shall execute a document acknowledging the receipt of, the careful review of and the express agreement to act in accordance with the PTO’s Conflict of Interest Policy.

Section 3. Meetings.

Regular meetings shall be held at least quarterly, on the same day and at the same time each quarter, to be determined by the Board. Special meetings may be called by any two (2) Board members with at

least 24 hours prior notice, which shall be provided by the Secretary by telephone call to each member of the Board to the number listed in the Board directory.

All meetings of the Board shall be open to all Members to attend and where the Members shall be entitled to courteously listen to the business being conducted by the Board.

Section 4. Quorum.

Half the number of the Voting Board plus one constitutes a quorum.

Section 5. Voting Requirements.

Unless a specific number of votes is prescribed under these Regulations, an affirmative vote of the majority (50%, plus one) of the Board members present at a duly called meeting where a quorum exists shall be sufficient to take the action on behalf of the PTO.

ARTICLE VII – COMMITTEES

Section 1. Membership & Meetings.

Committees shall be made up of Members, with the President acting as an ex officio member of all Committees. The Chairperson of each Committee shall determine the number of committee members necessary to fulfill the duties of the committee and shall select those committee members from the Members.

The Chairperson of each Committee will determine the frequency and location of meetings. All Committee meetings are open to all Members to courteously listen to the business of the Committee.

Section 2. Committee Chairpersons.

a. Responsibilities.

Each Committee shall be managed by a Committee Chairperson who shall be responsible, with the help of the members of the Committee, for carrying out the duties of that Committee.

Further, the Committee Chairpersons shall create sub-committees and shall appoint chairpersons of these sub-committees on an as needed basis to assist in carrying out the responsibilities of the Committee.

b. Selection.

Committee Chairpersons shall be appointed by the President within two (2) weeks of the beginning of their term of office.

c. Qualification.

The Committee Chairperson must be a Member in good standing of the PTO. Current Officers may not be a Committee Chairperson of any Committee.

d. Removal.

A Committee Chairperson may be removed with or without cause by the affirmative vote of 2/3rd of the Board at a properly called meeting of the Board where a quorum is present.

Section 3. Standing Committees.

The following Standing Committees shall be maintained by the PTO:

a. Fundraising Committee

The duties of this Standing Committee shall be to:

- i. Manage the execution and coordination of the PTO's fundraising activities.
- ii. Research and execute new means of fundraising for the PTO.
- iii. Create and chair subcommittees to be responsible for significant fundraising events and/or efforts.
- iv. Perform such other duties as are pertinent to the office.

b. Volunteer Coordination Committee

The duties of this Standing Committee shall be to:

- i. Coordinate and maintain a list of volunteers for PTO events and school activities.
- ii. Work with the teachers, staff, and leaders of committees to insure volunteers are recruited for programs.
- iii. Establish subcommittees as necessary.

c. Enrichment Coordination Committee

The duties of this Standing Committee shall be to:

- i. Manage the execution and coordination of the PTO's enrichment activities.
- ii. Research and execute enrichment programs, both during, before and after school.
- iii. Perform such other duties as are pertinent to the office.

Section 4. Working Committees.

The following Working Committees shall be maintained by the PTO:

a. Nominating Committee

The Nomination Committee shall have at least a Chairperson and a Co-Chairperson. The Co-Chairperson will be the Chairperson for the following fiscal year. Each year the Co-Chairperson (and/or the Chairperson in the case of an unscheduled vacation of the seat) shall be appointed by the President and then such appointment must be affirmed by a vote of the Members.

The duties of the Nominating Committee shall be to:

- i. Maintain contact with the Members to determine and maintain a list of those Members who are interested in filling Officer or representative positions for the PTO.
- ii. Provide nominations for each vacant Officer position to the Members for their affirmative vote, as provided herein.
- iii. Oversee, and otherwise maintain the integrity of, the election process.

b. Audit Committee

The Audit Committee will consist of at least three (3) members, one of which may be a third party accountant with expertise in the audit and compliance of similarly situated organizations' financial statements.

The duties of Audit Committee shall be to:

- i. Review financial statements of the PTO at least on a quarterly basis and to provide a report to the Board as to their opinion of compliance with accounting practices, laws and policies.
- ii. In the event the Audit Committee believes the records of the PTO are not accurate in a material way, that there has been fraudulent activity relative to the finances of the PTO or if it otherwise deems it appropriate, without the approval or consent required by any Officer, Board member or Member of the PTO, the Audit Committee may engage the services of an external accounting firm on behalf of the PTO to conduct a "review" or an "audit" of the books and records of the PTO. The results of such review or audit will be reviewed by the Audit Committee and shared with all Members at the next Regular Meeting.
- iii. Propose new policies as appropriate to address any shortfalls in the management of the PTO's risk.
- iv. Oversee and ensure the ongoing compliance with the PTO's tax exempt status and to otherwise ensure it is not compromised.
- v. Communicate and otherwise alert the Board relative to any compliance issues.
- vi. Oversee the proper preparation of any required tax filings, approve any such filings and, if required to be signed, submit them to the President for execution on behalf of the PTO or, if the signature of the President is not sufficient due to the requirements of the filing, to the party(s) required to execute same.
- vii. Complete the yearend audit within two (2) months of the end of the fiscal year.
- viii. The term of this office shall begin two (2) months into the fiscal year and end two(2) months after to allow for the yearend audit to take place.

Section 5. Additional Committees.

The Board may expand the duties associated with each of the Committees as appropriate.

ARTICLE VIII – HPS SCHOOL ADMINISTRATIVE COMMITTEE LIAISONS & REPRESENTATIVES

Section 1. LSDMC Liaisons.

The LSDMC Liaison is sent by the LSDMC and will be primarily responsible for facilitating the active and accurate communication between the LSDMC and the Board.

Section 2. ILT Liaisons.

The ILT Liaison is sent by the ILT and will be primarily responsible for facilitating the active and accurate communication between the ILT and the Board.

Section 3. LSDMC Representatives.

a. Number, Qualifications & Selection.

The PTO is entitled to appoint three (3) parent representatives to represent its interests on the Hyde Park School Local School Decision Making Committee ("LSDMC"). Each of the representatives shall be a Member in good standing and may be on the Board, but not an Officer,

of the PTO. The LSDMC Representatives shall be selected by a vote of the Members at the last Regular Meeting of the fiscal year. The LSDMC Representatives and selection thereof may be subject to criteria established by the LSDMC.

b. Term.

The term for this position shall be dictated by the Bylaws of the LSDMC.

c. Duties.

- i. LSDMC Representatives shall commit to attending all, to the extent practicable, of the LSDMC meetings to represent the views and interests of the PTO.
- ii. In order to represent such views and interests, the three (3) representatives shall ensure that at least one representative attend each Regular Meeting and any Special Meetings as appropriate to further the work and cooperation of the LSDMC and the PTO.
- iii. The representatives shall prepare a verbal report of the previous LSDMC meeting each month, which, with any Board feedback, response or directions, will be entered into the Board meeting minutes.
- iv. The representatives will work to ensure that the PTO's views and interests are reflected in the minutes at each LSDMC meeting.

Section 4. ILT Representatives.

ILT representatives will be invited and welcomed to attend Board meeting and general membership meetings to report on ILT activities and solicit PTO feedback.

ARTICLE IX – FINANCES

Section 1. Budget.

An annual budget shall be drafted by the Treasurer within one (1) month of the beginning of each fiscal year and approved by the Members at the first Regular Meeting of the fiscal year. The budget may only be amended by an affirmative vote of the Members at a Regular Meeting.

Section 2. Records & Method of Accounting.

The Treasurer shall keep accurate records of any disbursements, income, and bank account information. The books and records of the Corporation shall be kept and reported on a "cash basis".

Section 3. Expense Approval.

All expenses and/or disbursements shall be in accordance with the annual budget adopted by the PTO. The Treasurer will submit a list of all expenses for which payment has been issued since the last Board Meeting at each Board Meeting.

Section 4. Check Signing Authority.

The Treasurer and President are each authorized to sign checks as follows:

- a. Checks for budgeted expenses that are in an amount less than \$1,000 and in an aggregate amount of less than \$5,000 to any one payee over the course of a fiscal year. To the extent Treasurer needs to issue a check in excess of these amounts, previous Board approval is required and should be sought at a Regular Meeting of the Board. However,

such approval may be sought and granted via email or other form of consent where there is a record of the Board's decision, which record will be maintained by the Secretary.

- b. Any check for an expense (budgeted or not) that is specifically authorized for payment by the Board.

Section 5. Year End Financial Statement.

The Treasurer shall prepare a financial statement at the end of the fiscal year.

Section 6. Dissolution.

Upon the dissolution of the organization, any remaining funds shall be used to pay any outstanding bills and, with the Membership's approval, spent for the benefit of the school so long as the expenditure is in keeping with the IRC 501(c)(3).

Section 7. Fiscal Year.

The financial records of the Corporation shall be kept on a fiscal year basis beginning on July 1st of each year and ending on June 30th the following year.

Section 8. Agreements Exceeding One Year.

The PTO shall not enter into any contract, agreement or legal obligation that exceeds one (1) year in duration or which extends beyond the end of the fiscal year. The PTO may only enter into such a multiyear contract, agreement or legal obligation upon the affirmative vote of the Board, which vote must be unanimous.

Section 8. Use of Debit or ATM Cards.

The PTO's bank accounts shall not be accessible via debit or ATM card. If such a card is a requirement of the bank where the account is held, then such card will be immediately destroyed.

ARTICLE X – PARLIAMENTARY AUTHORITY

Robert's Rules of Order shall govern meetings when they are not in conflict with the PTO's Regulations.

ARTICLE XI – STANDING RULES

Standing rules may be approved by the Board and the Secretary shall keep a record of the standing rules for future reference.

ARTICLE XII – DISSOLUTION

The organization may be dissolved with previous notice (14 calendar days) and a two-thirds vote of those Members present at the meeting.

ARTICLE XIII – AMENDMENTS

These Regulations may be amended by a vote of the Members at any Regular or Special Meeting, provided that the Secretary provided at least ten (10) days prior written notice to each of the Members, which notice shall have provided a copy of the amendments to these Regulations. Notice may be given by postal mail, e-mail, or by letter to the Members sent in the students take home folders. Amendments will be approved by a two-thirds vote of those Members present at such meeting.

ARTICLE XIV – CONFLICT OF INTEREST POLICY

Section 1. Purpose.

The purpose of the 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 or director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace or contradict, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. 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 Section 3(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. 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 who are 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 whether a conflict of interest exists.

c. Procedures for Addressing the Conflict of Interest.

- i. 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.
- ii. 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.
 - iii. 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.
 - iv. 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 Conflict 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 that 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 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 5. 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 6. Annual Statements.

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

- a. Has received a copy of the conflict of interest policy;
- b. Has read and understood the policy;
- c. Has agreed to comply with the policy; and
- d. Understands that the organization is charitable and that in order to maintain its federal tax exempt status it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

Section 7. Periodic Reviews.

To ensure that 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, are based on competent survey information, and are 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 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 advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.