

## BY-LAWS

### Margaret Brent Elementary School Parent-Teacher Organization

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#### Article I – Name

The name of this organization is the Margaret Brent Elementary School Parent-Teacher Organization, hereinafter called the organization or the PTO. It is a local PTO unit organized under its own authority and in association with the administration and faculty of Margaret Brent Elementary School, hereinafter called MBES.

#### Article II – Purpose

Section 1. The purposes of the organization are:

- a. To bring into closer relation the home and the school so that parents and teachers, school administrators and the community may cooperate mutually in the education of children.
- b. To promote the welfare of children and youth in home, school and community.
- c. To develop between educators and the general public such united efforts as will secure for all children the highest advantages in physical, mental and social education.

- d. To encourage better communication between parents, teacher and school administration.
- e. To provide those resources to the school that are not provided or not provided sufficiently for in the school budget and are deemed necessary or desirable by the staff for the support and education of the children at the school.

Section 2. The purposes of this organization are promoted through an educational program directed toward parents, teachers, and the general public; are developed through conferences, committees, projects and programs; and are governed and qualified by the basic policies set forth in Article III.

### **Article III - Basic Policies**

The following are basic policies of this organization:

Section 1. The organization 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 "Internal Revenue Code").

Section 2. The organization shall be noncommercial, nonsectarian, and nonpartisan.

Section 3. The name of the organization or the names of any members in their official capacities shall not be used to endorse or promote a commercial concern or in connection with any partisan interest or for any purpose not appropriately related to promotion of the purposes of the organization.

Section 4. The organization shall not, directly or indirectly, participate or intervene (in any way, including the publishing or distributing of statements) in any political campaign on behalf of, or in opposition to, any candidate for public office or devote more than an insubstantial part of its activities in attempting to influence legislation by propaganda or otherwise.

Section 5. The organization shall work with the school to provide quality education for all children and shall seek to participate in the decision-making process establishing school policy, recognizing that the legal responsibility to make decisions has been delegated by the people to the School Board.

Section 6. The organization may cooperate with organizations and agencies concerned with child welfare, but persons representing the organization (PTO) in such matters shall make no commitments that bind the PTO, unless authorized by the Executive Committee.

Section 7. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, officers, or other private individuals 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 set forth in Article II hereof.

Section 8. Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on by:

- a. an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code
- b. an organization, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code.

Section 9. If dissolution of this organization and termination of its affairs is found to be necessary, the Executive Committee shall follow all dissolution procedures as set in Article XV-Dissolution.

#### **Article IV – Articles of Organization**

The PTO exists as an incorporated organization of its members. Its “Articles of Organization” comprise these by-laws, as from time to time amended.

#### **Article V – Executive Committee**

Section 1. The Executive Committee shall consist of the elected officers of the organization, the Principal of MBES, the Assistant Principal of MBES, and a Faculty Representative.

Section 2. The Faculty Representative, who is appointed by the Principal of MBES, shall serve as a liaison between the Margaret Brent Faculty and the Executive Committee and shall provide general information about MBES faculty needs.

Section 3. The duties of the Executive Committee shall be:

- a. To transact necessary business in the intervals between organization meetings and such other business as may be referred to it by the organization.
- b. To create standing committees and approve the plans of work of the standing committees.
- c. To present a report at the regular meetings of the organization.
- d. To select an auditor or auditing committee to audit the Treasurer’s account.
- e. To set annual dues at the first meeting of the Executive Committee following the election of new officers.
- f. To prepare and submit the annual budget to the organization for adoption prior to the sixth week of the school year.

- g. To approve routine bills within the limits of the budget.
- h. To prepare and submit an annual report of the organization business for the incoming Executive Committee.
- i. To appoint chairpersons of standing committees.

## **Article VI – Officers and Their Election**

Section 1. Each officer of the PTO shall be a member in good standing of this PTO. The elected officers shall be members of the Executive Committee.

Section 2. Officers and Their Election:

- a. The elected officers of the PTO shall be a President, a First-Vice President, a Second-Vice President, a First-Secretary, a Second-Secretary, and a Treasurer.
- b. The non-elected officers shall be the Principal of MBES, Vice-Principal of MBES, and the facility representative.
- c. Officers shall be elected by ballot annually no later than the month of June. However, if there is but one nominee for any office, election for that office may be by voice vote. In the case of more than two nominees for an office, the one who receives the plurality in the election wins.
- d. Officers shall assume their official duties following the close of the meeting in June and shall serve for a term of one (1) year or until their successors are elected.

Section 3. Nominating Committees

- a. The Executive Committee shall appoint a Nominating Committee consisting of three members of the PTO.
- b. The Nominating Committee shall choose a Chairperson from within the three (3). The three committee members will cast a vote and there will be no ties.
- c. The Nominating Committee shall nominate an eligible person for each office to be filled and report its nominees at the regular meeting in April at which time additional nominations may be made from the floor.
- d. Only those persons who have signified their consent to serve if elected shall be nominated for or elected to such office.
- e. The Nominating Committee shall be responsible for the balloting and the verification of the vote.

Section 4. Removal of an Officer.

- a. An officer can be removed from office for failure to fulfill his/her assigned duties, corruption, or any act/behavior that brings dishonor to, or negates, the purpose and/or goals of this organization.
- b. Removal shall take place only after the Executive Committee has met in an effort to assess and discuss the problem and all attempts have been made to resolve the problem.
- c. Removal requires a two-thirds (2/3) vote of the Executive Committee.

Section 5. A vacancy occurring in any office shall be filled for the unexpired term by a person elected by a majority vote of the Executive Committee, notice of such election having been given to the membership. In case a vacancy occurs in the office of the President, the First-Vice President shall serve notice of the election and shall stand as President ex-officio until such election is held.

**Article VII – Duties of Officers**

Section 1. The President shall preside at all meetings at which he/she may be present; shall coordinate the work of the officers and committees of the organization in order that the purposes may be promoted; shall keep abreast of external matters pertaining to education, and of concern to students and parents; and shall perform such duties as may be prescribed in these by-laws or assigned to him/her by the PTO or by the Executive Committee.

Section 2. The First-Vice President shall act as aide to the President and shall perform the duties of the President in the absence or disability of that officer to act and shall perform such duties as may be prescribed in these by-laws or assigned to him/her by the PTO or by the Executive Committee.

Section 3. The Second-Vice President shall assist the President and fill in for the President when both the President and the First-Vice President are absent; and shall perform such duties as may be prescribed in these by-laws or assigned to him/her by the PTO or by the Executive Committee.

Section 4. The First-Secretary shall record the minutes of all meetings; shall oversee internal/external communication content for the PTO; shall maintain records of all meetings, bylaws and other pertinent PTO records; and shall perform such other duties as may be delegated to him/her by the PTO or by the Executive Committee.

Section 5. The Second-Secretary shall record the minutes of all meetings when the First-Secretary is not in attendance; shall oversee dissemination of PTO information; and shall perform such duties as may be prescribed in these by-laws or assigned to him/her by the PTO or by the Executive Committee.

Section 6. The Treasurer's duties are:

- a. Have custody of all the funds, bank statements and other financial records of the organization.
- b. Keep a full and accurate account of receipts, expenditures, assets and liabilities of the organization in accordance with Generally Accepted Accounting Principles (GAAP).
- c. Write checks, in accordance with organization's adopted budget, as authorized by the President, Executive Committee, or the PTO and present them to an authorized Executive Committee member for signature.
- d. Perform monthly bank account reconciliations to be presented to the Executive Committee.
- e. Prepare monthly financial statements for presentation at regular meetings and at other times when requested by the Executive Committee.
- f. Make a full statement of financial position at the meeting at which new officers officially assume their duties.
- g. Insure that all annual fees are paid to maintain the organization's "corporation" status.
- h. Insure that all required tax returns are prepared and filed in a timely manner and in compliance with 501(c) (3) requirements.
- i. Adhere to all financial policies as stated in Article XIII - Financial Policies in these by-laws.
- j. The Treasurer shall perform such other duties as may be prescribed in these by-laws or assigned to him/her by the PTO or by the Executive Committee.

Section 7. All officers shall:

- a. Attend PTO-sponsored events whenever possible.
- b. Promote and support all PTO programs, events, and activities.
- c. Perform the duties in these by-laws and those assigned from time to time through Executive Committee decision.
- d. Deliver to their successors all official material prior to the meeting at which new officers assume their duties.

## **Article VIII – Membership and Dues**

Section 1. Membership in this PTO shall be made available to any parent or legal guardian of a child enrolled in MBES and staff members of MBES without regard to race, color, creed, or national origin, under such rules and regulation not in conflict with the provisions of these by-laws. Memberships shall run from July 1<sup>st</sup> of the school year to the following June 30<sup>th</sup>.

Section 2. Only members in good standing, who have accordingly paid their membership dues, shall be eligible to participate in the business meetings, vote on PTO matters, and serve in any of its elected or appointed positions.

Section 3. The organization shall conduct an annual enrollment of members, but persons may be admitted to membership at any time.

Section 4. Each member of the organization shall pay annual dues to the organization. Partial year members will pay the annual dues rate.

Section 5. The annual dues will be determined by the Executive Committee as stated in Article VIII.

### Section 6. Membership Revocation

- a. If needed, a member may be considered for removal from the PTO membership if their behavior is determined to be contrary to the orderly execution of the PTO mission. This is an extreme step that should be carried out in only the most egregious situations.
- b. Procedures: A request for consideration for removal of a member may be presented to an Executive Committee Member (serving in good standing) at any time that an act is seen as so egregious as to warrant subject member's removal. The request for consideration of removal must be signed by 5 members in good standing. At the next scheduled Executive Committee meeting (or within 2 weeks, whichever comes first) the Executive Committee Member will present the request to the Executive Committee for continued action.
- c. The Executive Committee will:
  - i. Notify the subject member of the receipt of a removal request and inform the subject member of their rights to contest the removal.
  - ii. Schedule the issue for vote at the next scheduled PTO meeting as long as that meeting date allows for a 30 day notification time of general membership that a vote is being called for the dismissal action.

- iii. Thirty days prior to the scheduled meeting, a flier with the meeting agenda will be distributed.
- iv. As required, a special PTO meeting may be called to ensure the subject member has 30 days to prepare any comments in response to the removal of their membership.
- v. Any votes not meeting the timelines stated above are consider not applicable to the individual's membership and are not binding on the PTO.
- vi. A two-thirds (2/3) vote in favor of removal by a quorum as defined in these bylaws is required for the action to be carried.

## **Article IX – Standing and Special Committees**

Section 1. Only members in good standing of the organization shall be eligible to serve in any elective or appointive position.

Section 2. The Executive Committee may create such standing committees, in addition to those already provided for in Section VI, as it may deem necessary to promote the purposes and carry on the work of the organization. The term of each chairman shall be one (1) year or until the appointment of a successor.

Section 3. The chairman of each standing committee shall present a plan of work to the Executive Committee for approval. No committee work shall be undertaken without the consent of the Executive Committee.

Section 4. The power to form special committees and appoint their chairman rests with the Executive Committee. A special committee ceases to exist after it completes its job.

Section 5. The President and the Principal of the school or his representative shall be members ex-officio of all committees except the Nominating Committee.

## **Article X – Meetings**

Section 1. All meetings of the PTO shall be:

- a. Called to order by the President.
- b. The Secretary will present the minutes of the last meeting. They must be approved by the members of the PTO.
- c. The Treasurer's report is received.



- d. The Standing and Special Committee reports are received.
- e. The President shall entertain old business from the agenda of the previous meeting. Old business raised is then discussed.
- f. The President shall then entertain new business from the agenda and the floor. The President shall decide whether discussion is germane, time limit for discussion and disposition of proposals.
- g. The meeting is adjourned by majority vote.

Section 2. General Membership Meetings. The PTO will conduct a minimum of two (2) general membership meetings per year at a time and place to be determined by the PTO President at least one month prior to any such meeting. The purpose of such meetings shall include, but not be limited to, the approval of budgets and the election of officers. It is the right and responsibility of each member to attend the general membership meetings. Additional meetings may be convened as determined by the President and approved by a majority vote of the Executive Committee.

Section 3. Executive Committee Meetings. The Executive Committee shall meet monthly at a time and place determined by the PTO President at least one month before the meeting. The Executive Committee meetings shall be open to any PTO member, although the Executive Committee may meet in executive session before or after a monthly meeting to discuss any subject of a confidential nature (e.g., involving individual privacy concerns).

- a. Electronic Meetings: Special Meetings of the Executive Committee may be held by electronic media (such as e-mail or other Internet communication systems, telephone conferences, video conferences, facsimile, etc.) subject to the following:
  - i. All Executive Committee members shall have access to the appropriate electronic meeting media, as verified by their response to a call for any particular meeting. A majority of the members shall constitute the quorum for the meeting and, once established shall be assumed present until the meeting is adjourned.
  - ii. The affirmative vote of a majority of the quorum shall be the minimum vote requirement for the adoption of any motion.
  - iii. The President is responsible for establishing the start of the meeting, the agenda for the meeting, and the given time interval for the meeting.
  - iv. The Secretary is responsible for editing the electronic record of the proceedings after the fact to produce a set of standard minutes.

Section 4. Special meetings may be convened upon the request of any two Executive Committee members or by petition to the president of ten percent (10%) or more of the membership of the

PTO. Notice of the time, place and purpose of any such meeting must be provided to the membership at least five business days prior to the meeting.

Section 5. Quorum. In order to conduct business at any meeting, a majority of the Executive Committee members shall constitute a quorum.

## **Article XI – Voting**

Section 1. The voting at all meetings shall be:

- a. Voice vote, show of hands or written ballot as directed by the President.
- b. Voting on the by-laws or amendments, shall be by written ballot with the vote being counted, verified as members and recorded in the minutes.
- c. Each member in attendance at a PTO meeting is eligible to vote, one vote per household. Absentee or proxy votes are not allowed.
- d. The President will preside at all meetings and only vote to break a tie.

## **Article XII – Parliamentary Authority**

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern this organization in all cases to which they are applicable and in which they are not in conflict with these bylaws and any special rules of order this organization may adopt.

## **Article XIII - Financial Policies**

Section 1. Fiscal Year. The fiscal year of this organization begins July 1 and ends June 30 of the following year.

Section 2. Banking. All funds shall be kept in a checking account in the name of MBES PTO held at a local financial institution. Checks shall be written by the Treasurer, in accordance with the organization's adopted budget, as authorized by the President, Executive Committee, or the PTO and presented to an authorized Executive Committee member for signature.

Section 3. Reporting. All financial activity shall be recorded in a manual or computer-based accounting system. The Treasurer shall reconcile the account(s) monthly and report all financial activity monthly. The Executive Committee shall arrange an independent review of its financial records each year.

Section 4. Ending Balance. A minimum balance of \$3000.00 must remain in the treasury at the end of the school year as a General Operating Fund for the next school year.

Section 5. Contracts. Contract signing authority is limited to the President or the President's designee.

Section 6. Incidental Expenses. Each month the PTO President is authorized to personally approve up to one hundred dollars (\$100) in incidental expenses without the approval of the Executive Committee. This amount is not cumulative from month to month. Any expenditure approved by the President must be reported to the Executive Committee at the next Executive Committee meeting.

Section 7. Budget.

- a. A budget will be prepared and submitted by the Executive Committee to the membership for adoption (prior to the sixth week of the school year/not later than the October meeting). All expenditures within the realm of the approved budget are authorized expenditures.
- b. The budget shall be used as a guide for the activities and expenditures of the PTO during the year. No significant deviation from the approved budget may be made unless first authorized by the membership at a special or general meeting with advance notice of the change under consideration. For these purposes, "significant deviation" means an increase greater than 15% of the original budgeted expenses.
- c. Funding for any program committee expense or school request should be within the budget. Requests outside the budget and less than \$1,000.00 must be made at least three weeks in advance and may be approved by the Executive Committee. Requests in excess of \$1,000.00 and not within the budget must be taken to the membership for a special budget amendment vote. All requests can be made in writing via email or hard copy to the President via the Treasurer.

Section 8. Designated Funds. A designated fund account is for money put aside for a specific purpose. Any money put into a designated fund account shall only be used for that purpose. It cannot be used for other activities or be voted upon to be moved to fund other activities.

Section 9. Examination of the Organization's Financial Records.

- a. The Treasurer's accounts shall be examined annually no later than two months after the organization's fiscal year end by a State of Virginia certified auditor or an audit committee of not less than three PTO members who, satisfied that the Treasurer's annual report is correct, shall sign a statement of fact at the end of the report.
- b. The auditing committee shall be selected by the Executive Committee. No person is eligible to be on the audit committee who acted as Treasurer or had custody of the organization's financial records at any time during the period under audit.

- c. The Treasurer's accounts shall be audited upon the occasion of a new Treasurer assuming office.
- d. All audit reports shall be presented to the general membership for adoption. The fiscal year-end audit report shall be presented to the membership for adoption at the first general membership meeting held after the completion of the report.

## **Article XIV – Amendments**

### **Section 1. Procedure for amendment of by-laws**

- a. These by-laws may be amended at any general meeting of the organization by two-thirds (2/3) vote of the members present and voting, provided that notice of the proposed amendment shall have been given at the previous meeting.
- b. A committee may be appointed to submit a revised set of by-laws as a substitute for the existing by-laws by a majority vote of the Executive Committee. The requirements for adoption of a revised set of by-laws shall be the same as in the case of an amendment.

## **Article XV – Dissolution**

Any dissolution of the organization and termination of its affairs shall take place in the following manner.

Section 1. The Executive Committee shall adopt a resolution recommending that this PTO be dissolved and directing that the question of such dissolution be submitted to a vote at a special meeting of members having voting rights. Written or printed notice stating that the purpose of such meeting is to consider the advisability of dissolving this PTO shall be given to each member entitled to vote at such meeting at least thirty (30) days prior to the date of such meeting. Such meeting shall be held only on calendar school days during the academic year of the school involved.

Section 2. Only those persons who were members in good standing of this PTO on the date of adoption of the resolution and who continue to be members in good standing on the date of the special meeting shall be entitled to vote on the question of dissolution.

Section 3. Approval of dissolution of this PTO shall require the affirmative vote of at least two-thirds (2/3) of the members present and entitled to vote on the question of dissolution.

Section 4. If dissolution is approved, this PTO shall yield up and surrender all of its books and records and all of its assets and property to a Dissolution Committee, and shall cease and desist from the further use of any name that implies or connotes association with the organization.

The Dissolution Committee shall consist of a chairman, who is appointed by the President of the PTO, three (3) members appointed by the Executive Committee, at the time the dissolution resolution is approved, and the principal of the school or his/her representative. Check-signing authority shall be handed over to the chairman of the Dissolution Committee and the principal of the school jointly. The Dissolution Committee, on behalf of the PTO shall liquidate any real property owned by the organization, as recommended by the school administration. The Dissolution Committee, on behalf of the PTO, shall satisfy any outstanding indebtedness from funds available. A report concerning the final disposition of organization funds shall be published and presented to the members within 45 days of the approval of the motion to dissolve.

Section 5. Upon dissolution of this organization, after paying or adequately providing for the debts and obligations of this PTO, the remaining assets shall be distributed to Margaret Brent Elementary School. If the school ceases to exist, remaining PTO assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

## **Article XVI – Conflict of Interest Policy**

*This article contains IRS legal statements required to be part of the bylaws as condition of our Tax Exempt 501(c) (3) status.*

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 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 3b, 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 boards 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 immurement, 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.

This is a true and correct copy of the By-Laws currently in effect adopted\_\_\_\_\_.