

Bylaws of the Chi Rho Alumni Association

(approved 04/27/2013)

ARTICLE I. NAME AND PURPOSE

Section 1 – Name: The name of the organization shall be Chi Rho Alumni Association. It shall be a nonprofit organization incorporated under the laws of the State of Kansas

Section 2 – Purpose: Chi Rho Alumni Association is organized exclusively for charitable, religious, and educational purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

1. Chi Rho Alumni Association exists for the advancement of the Catholic faith in unmarried Catholic men enrolled in post secondary education. Chi Rho Alumni Association aims to develop these men in spiritual formation, fellowship, outreach, and academic growth.
2. A secondary purpose of the Chi Rho Alumni Association is to promote spiritual growth and fellowship among its members in alignment with the teachings of the Catholic Church.

In these ways the Chi Rho Alumni Association shall have as its exclusive purposes a charitable cause (advancement of religion), a religious cause (promotion of the Catholic faith), and an educational cause (academic success) as defined in section 501(c)(3) of the Internal Revenue Code.

Section 3 – Community to be served: The Chi Rho Alumni Association shall serve unmarried Catholic men pursuing post secondary education.

Section 4 – Activities: The following specific categories of activities will serve and further that general purpose:

1. Creation and operation of a Catholic living environment which will immerse its residents in the Catholic Faith. We believe the best possible way to promote the Catholic faith to our target group is to create an environment where young Catholic men can come together to learn about and reinforce their faith. While providing housing for the men is not our primary goal, it is the only way to create a totally immersive Catholic environment. This living environment shall be known as the Catholic Household of Chi Rho (CHCR). CHCR Residents must be unmarried Catholic men pursuing a post secondary education. CHCR residents will pay a rate defined in the annual budget which must be approved by the Board of Directors. In return, the Chi Rho Alumni Association will provide residents with housing and budget funds for food, utilities, CHCR events, and other living expenses. Chi Rho Alumni Association members are automatically barred from resident status.

2. The Chi Rho Alumni Association recognizes an opportunity to promote spiritual growth in men who meet the CHCR resident requirements but do not wish to live in the CHCR. Attending CHCR events will spiritually benefit these men even if they are not residents. Such men will be referred to as non-resident affiliates. Non-resident affiliates will be allowed to attend all CHCR events and will be required to pay an affiliation fee to be determined by the board of directors.
3. Scholarship opportunities for residents (or future residents) of the CHCR. This activity will promote academic success
4. Chi Rho Alumni Association events that promote fellowship, community service, and spiritual growth. Since the Chi Rho Alumni Association seeks to promote the Catholic faith at every stage in a man's life, events and activities that promote spiritual growth in the membership are essential. While spiritual events such as retreats can be easily related to advancement of religion, we believe that fellowship and community service events play a very important role in promoting spiritual growth. Community service events provide an opportunity for men to grow in their faith by helping others. Fellowship events provide an opportunity for men to experience their faith in a less pious setting that can more easily be related to their everyday world.

Section 5 –Limitations on Additional Activities: Activities and projects of this corporation are limited to those that further the specific exempt purposes for which tax exempt recognition was granted and are to be conducted by or under the authority of this corporation operating solely and exclusively as a charitable, scientific, literary and educational organization as designated by Section 501 (c) (3) of the Internal Revenue Code.

PROVIDED, HOWEVER, that in all events and under all circumstances, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of this corporation, voluntary or involuntary or by operation of law, the following provisions shall apply: (A) This corporation shall not have or exercise any power or authority either expressly, by interpretation, or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent this corporation from qualifying (and continuing to qualify) as an organization described in Sect. 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law). (B) This corporation shall never be operated for the primary purpose of carrying on a trade or business for profit. No compensation or payment shall ever be paid or made to any member, officer, director, trustee, creator, or organizer of this corporation, or substantial contributor to it, except as an allowance for actual expenditures or services actually made or rendered to or for this corporation; and neither the whole nor any portion of the assets or net earnings, current or accumulated, of this corporation shall ever be distributed to or divided among any such persons; provided, further that neither the whole nor any part or portion of such assets or net earnings shall ever be used for, accrue to, or inure to the benefit of any member or private individual within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

ARTICLE II. MEMBERSHIP

Section 1 – Eligibility for membership: Application for voting membership shall be open to founding members and any former residents of the CHCR or former non-resident affiliates of CHCR who are in good standing with the Catholic Household of Chi Rho. If a member wishes to become a resident (or non-resident affiliate) of the CHCR (assuming he meets resident requirements of Article I section 2) he must first resign from the Chi Rho Alumni Association.

Section 2 – Obtaining membership: A qualified applicant (see Article II, section 1) may become a member by completing the following steps:

1. The applicant must submit a membership application to the secretary at least two weeks prior to a meeting.
2. The applicant must be voted into membership by a two-thirds majority vote of all voting membership present at a general meeting or a two-thirds majority vote of the board of directors.

Section 3 – Grievance Procedure: Grievance(s) against a member or members may be filed by any voting member. Grievances must be filed in writing with the Secretary. The member or members involved shall be notified in writing and required to respond to the Secretary within ten (10) days. The board of directors shall conduct a review and decide upon a course of action. Any action must be reviewed at the next general meeting.

Section 4 – Resignation and termination: Any member may resign by filing a written resignation with the secretary. Resignation shall not relieve a member of unpaid dues, or other charges previously accrued. A member can have membership terminated, against his will, by a two-thirds majority vote of all Voting Members (defined article III section 4). at a general or special meeting of the whole organization.

Section 5 – Reinstatement: An individual whose membership has been terminated may submit a petition for reinstatement to the secretary in writing at least 30 days before a general meeting. If the petition is approved by a two thirds majority of voting members at the meeting the individual shall be reinstated.

ARTICLE III. MEETINGS OF MEMBERS (GENERAL MEETINGS)

Section 1 – General meetings: General meetings of the members shall be held twice annually, once in the spring and once in the fall at a time and place designated at the previous general meeting. Director elections will be held at the fall meeting.

Section 2 – Special general meetings: Special meetings may be called by the president, by request of three directors, or by a petition signed by twenty five percent of members.

Section 3 – Notice of meetings: Notice of each meeting shall be given to each member, by the Secretary, through mail, telephone, or electronic means, not less than two weeks-prior to the meeting.

Section 4 – Voting Member defined: Any member physically present at a general or special meeting. Non-present members may vote remotely in elections.

Section 5 – Quorum: At any meeting a quorum shall consist of at least seven members with the consent of the majority of the board members. If less than a quorum is present at a meeting, a majority of the members present may discuss matters and make recommendations to the board as a whole, or adjourn the meeting without further notice.

Section 6 – Voting: Unless otherwise stated in these bylaws, issues to be voted on shall be decided by a simple majority of voting members present at the meeting in which the vote takes place. Only Voting members may cast a ballot.

Section 7 – Remote Voting: If Quorum is not achieved at a general or special meeting, a bylaws amendment may be submitted to the total voting membership by a paper or electronic ballot. Members will have 30 days to cast their vote. To call for a remote vote, the following conditions must be met:

1. The ballot must be approved by a two thirds majority of those present at the meeting.
2. The ballot must also be approved by 2 directors present at the meeting.

One half of the ballots must be returned in order for the vote to be valid. If the vote is valid, the question must win a three fourths majority in order for these bylaws to be amended.

Section 8 – Meeting procedure: General and board meetings shall operate by regular procedure as described by the president. Upon the request of two or more members, meetings must operate by the newest edition of Robert's Rules of Order for the duration of the request. Any rule of order may be suspended by a two-thirds majority vote of voting members present.

ARTICLE IV. BOARD OF DIRECTORS

Section 1 – Directors Powers and Responsibilities: Each member of the board of directors is charged with the duties of loyalty and care to the corporation and must act in the corporation's best interests to preserve and further the corporation's exempt purposes. The business and affairs of the corporation shall be managed by the board of directors or by its authorized staff persons. The board shall have the powers and duties necessary or appropriate for the administration of the affairs of the corporation, including but not limited to the authority to employ an executive director and any other staff deemed necessary to the development and operation of the corporation. However, all powers of the corporation are vested in the board and may not be delegated to staff.

Section 2 – Board role and size: The board is responsible for overall policy and direction of the association and may delegate responsibility of day-to-day operations to the staff and committees. The board shall consist of seven voting members with up to three trustee members, whose duties are described under Article IV section 7.

Section 3 –Board Compensation: Directors shall be precluded from receiving compensation for their services as board members but shall be entitled to receive such amount, if any, as the directors may from time to time determine, to cover expenses of attendance to meetings. When the board of directors deems that the financial status of the corporation permits, **directors may be compensated for mileage and actual, necessary costs incurred by a director or directors due to attendance at regularly scheduled meetings or special meetings of the board**

Section 4 – Terms: All board members serve one-year terms, except for trustees who will serve two year terms.

Section 5 –Meetings and notice: The board shall meet at least quarterly. The time and place of board meetings will be decided upon at the previous board meeting. Notice of each meeting shall be given to each director, by the Secretary, through mail, telephone, or electronic means, not less than one week prior to the meeting. Members may observe board meetings unless a majority of the directors call for a closed session.

Section 6 – Waiver of Notice: Waiver of notice is required for any meeting not conducted in accordance with notice provisions of these bylaws. Each director in attendance may waive notice of any meeting in writing, including but not limited to a printed email addressed to the Secretary of the corporation. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 7 – Board elections: New directors and current directors shall be elected or re-elected by the voting members at the fall general meeting. Voting members who cannot attend the fall meeting may submit an absentee ballot. Nominations will be submitted at the spring meeting so that an absentee ballot can be provided. Candidates may add their name to the absentee ballot if they make a request to the secretary at least 60 days before the fall election. If a voting member wishes to receive an absentee ballot, they must request and submit the ballot before the beginning of the fall meeting or it will be not be counted. Ballots will be available one month before the fall meeting. Newly elected directors shall take office immediately after adjournment.

Section 8 – Election procedures: Any member can nominate a candidate. Directors will be elected by majority vote of absentee ballots and voting members present. In the event of an election with more than two candidates, should the leading candidate fail to receive a majority vote, a runoff election will be held between the two candidates who receive the highest percentage of the vote. In the event of a tie, there will be a re-vote which will not count absentee ballots. If the tie is not broken, the directors shall decide the winner by a majority vote. In such a vote, the directors shall not be allowed to abstain from voting.

Section 9 – Quorum: A two thirds majority of the voting members of the board of directors shall constitute a quorum for the transaction of all business at any meeting of

the board of directors. If less than a majority is present at a meeting, a majority of the directors present may discuss matters and make recommendations to the board as a whole, or adjourn the meeting without further notice. A majority is determined on the basis of current number of total elected or appointed directors, not total number of board positions.

Section 10 – Officers and duties: Each director shall hold an office with corresponding duties. Each director will hold one and only one distinct office.

President

It is the president's role to be the head of public relations for the organization.

His duties include (but are not limited to):

- Act as a figurehead for the organization
- Writing articles for diocesan newspapers and other publications
- Speaking at fundraising events in coordination with the fundraising director's overall plan
- Seeking donations from individuals or corporations in coordination with the fundraising director's overall plan
- Chairs general and board of directors meetings

Treasurer

The role of the treasurer is to track, and be the foremost expert on, the financial status of the organization. His duties include (but are not limited to):

- Making sure the organization is in compliance with all federal, state, and local tax laws
- Keeping detailed and accurate records of the organization finances
- Chair of the budget committee
- Presents the annual budget for the coming year at the last board of directors meeting of the fiscal year
- Prepares quarterly fiscal reports and makes them available to board members and the public
- Maintains corporate treasury
- Maintains and distributes tax documentation for deductible donations

Secretary

The secretary is responsible for keeping track of the organization's non-financial documents. His duties include (but are not limited to):

- Keeping records of board actions, including overseeing the taking of minutes at all board meetings
- Keeping records of organization actions, including overseeing the taking of minutes at all general meetings
- Sending out meeting announcements
- Distributing copies of minutes and the agenda for all meetings to the membership

- Ensuring that corporate records are maintained (corporate records include, but are not limited to: articles of incorporation, bylaws, membership lists, meeting attendance, voting records from board of director meetings, a list of excused absences, etc...)
- Distributing a monthly calendar of events

Director of Alumni Events

The Directory of Alumni Events (DAE) is responsible for actively engaging the membership by planning activities that encourage fellowship between members, since fellowship is essential to organizational unity, spiritual growth, and fundraising. His duties include (but are not limited to):

- Coordinating organization-wide events as well as local events which may be limited to members within a certain city or area
- Coordinating fellowship events after each general meeting
- Coordinating at least four alumni events, (including organization-wide events, local events, and fellowship after general meetings) per calendar year
- Coordinating at least one event, which CHCR residents will be invited to, per calendar year

Director of Fundraising

The Director of Fundraising (DOF) is responsible for developing the overall fundraising scheme of the organization. His duties include (but are not limited to):

- Analyzing the membership, and requesting donations appropriately
- Planning fundraising events and campaigns
- Creating a plan to solicit donations from outside contributors
- Maintaining relations with donors and keeping them up to date with house affairs
- Ensuring that appropriate gratitude is conveyed to donors

Ambassador to the House

The ambassador must be an expert on Catholic Household of Chi Rho activity. He should be able to make an accurate report to the directors about the state of the house at any time. His duties include (but are not limited too):

- Obtaining a list of all men eligible for membership and inviting them to join the Chi Rho Alumni Association.
- Having at least some knowledge of each CHCR resident
- Attending at least one CHCR resident meeting per academic semester

Director of Personal Development

Since the purpose of the Chi Rho Alumni Association is to foster spiritual and academic growth in CHCR residents, the Director of Personal Development (DPD) must ensure that said spiritual and academic growth has taken place. His duties include (but are not limited to):

- Submitting the CHCR grade point average to the board at the first meeting after the close of each academic semester
- Managing the scholarship program
- Encouraging the spiritual growth of members of the Chi Rho Alumni Association through planning at least one event per calendar year (attendance is optional)
- Recommending a plan of action (to be approved by the board of directors) for both the Catholic Household of Chi Rho and the Chi Rho Alumni Association board of directors, should the level of academic and spiritual growth fall below acceptable levels.

Trustee

Trustees will be non-suffragette members of the board of directors. Only former board members will be elected to this office. They will be elected for a two year term. If a trustee is elected to the board of directors he will automatically cease to hold the office of trustee. All trustee positions are not required to be filled.

Section 11 – Resignation, termination, and absences: Resignation from the board must be in writing and received by the Secretary. A director shall be terminated from the board of directors due to excess absences, for two unexcused absences from regular board meetings in a calendar year. A board member may be removed for other reasons by a three-fourths vote of the other directors. A board member may also be removed by a three fourths vote of the voting membership present at any general or emergency meeting.

Section 12 – Vacancies: When a vacancy on the board exists mid-term, there will be a maximum one month period in which Board members’ nominations may be submitted to the secretary. At the end of this one month period an election shall be held in which the Board will vote from those nominated to fill the vacancy. These vacancies will be filled only until the next general meeting, where a replacement can be voted in.

Section 13 – Emergency Meetings: Emergency meetings of the board shall be called upon the request of the president, or two members of the board. Notices of emergency meetings shall be sent out by the secretary to each board member at least two weeks in advance. An emergency meeting may be held at any time if three fourths of the board members consent.

Section 14 – Proxies: No proxies are allowed for any meetings unless otherwise specifically mandated by Kansas law or if approved by the Board of Directors in the form of a resolution.

ARTICLE V. COMMITTEES

Section 1 – Committee formation: The board may create committees as needed, or at the request of the membership. Each committee must have at least one of the directors as a member. Members may be appointed to committees by a majority vote of the board of

directors. The length of time the committee shall operate for, the length of committee members' terms, and the time at which new elections to that committee will occur will be decided by the board of directors during committee creation. The committee chair will be appointed by a two-thirds majority vote of the board of directors.

Section 2 – Finance Committee: The treasurer is the chair of the finance committee, which includes the Director of Fundraising and three other members. The Finance Committee is responsible for developing fiscal procedures, fundraising plans, the annual budget, and reviewing them with the board of directors. The board must approve the budget with a two-thirds majority vote and all expenditures must be within budget. Any change in the budget must be approved by the board with a two-thirds majority vote. The fiscal year shall be the calendar year. Quarterly reports must be submitted at the next board meeting, and must include a balance sheet (assets, liabilities, and equity) and an income statement (revenue and expenses). The financial records of the organization are public information and shall be made available to the membership, board members, and the public.

Section 3 – Scholarship Selection Committee: The purpose of the Scholarship Selection Committee is to select qualified recipients for the scholarships created by the board of directors. This committee shall consist of a minimum of three individuals who are “totally independent (except for participation on this committee) and separate from the private foundation.” Committee members with experience in education are preferable. The Director of Personal Development will provide the committee with a file for each qualified applicant that includes the applicant’s GPA, ACT score (for entering freshmen), personal statement, or proof of financial need. These files will not include the applicant’s name in order to provide the committee every opportunity to make a fair and impartial decision.

Section 4 – Resignation and Replacement of Committee Members: Resignation from a committee must be in writing and received by the secretary. If a committee member resigns, the board of directors must conduct an emergency meeting to select a replacement.

ARTICLE VI. CONTRACTS, LOANS, CHECKS, DEPOSITS, AND FUNDS

Section 1 – Contracts: No contract or instrument in the name of and on behalf of the corporation shall be effective until authorized by the Board of Directors by a resolution of the board. The resolution of the board may be general or confined to specific instances. Such authority may be general or confined to specific instances.

Section 2 – Loans: No loans shall be contracted on behalf of the corporation unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

Section 3 – Checks, Drafts, Etc.: All checks, drafts or other orders for the payment of money, note or other evidence of indebtedness issued in the name of the corporation,

shall be signed by such officer or officers, agent or agents of the corporation and in such manner and at a designated depository as shall from time to time be determined by resolution of the board. In the absence of such determination by the board, such instruments shall be signed by the Treasurer and countersigned by the President.

Section 4 – Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such bank, trust companies, or other depositories as the board may select by resolution.

Section 5 – Gifts: The board may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

Section 6 – Disposal of Assets: Upon the dissolution of this corporation, the governing body shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner as the board of directors determines or to such Kansas organization or organizations organized and operated exclusively for purposes similar to those of this corporation and recognized as tax exempt under IRC Section 501 (c) (3) or the assets shall be distributed to a Kansas organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Code as the governing board shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VII. BOOKS AND RECORDS

Section 1 – Books and Records: The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, the board, and committees having any of the authority of the board of directors, and shall keep at the registered or principal office a record giving the names and addresses of the members. All documents required to be made available pursuant to tax regulations, state or other statutes may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time during business hours subject to reasonable prior notice or other appointed time arranged by the party requesting inspection and by the corporation's custodian of records and books.

Section 2 – Form 990: As soon as the corporation's annual proceeds regularly exceed \$25,000.00, the board will designate staff or select outside professionals to prepare Form 990 and any other financial reports deemed necessary.

Section 3 – Audit: As soon as the corporation's annual proceeds regularly exceed \$100,000 the board will consider and will recommend for or against obtaining the

services of a competent and disinterested auditor, who shall audit the books and records and render a report in writing, submitted to the Board at the Annual Meeting. Nothing in this provision will preclude or in any way limit the authorization of an audit at any time regardless of the amount of the corporation's annual proceeds.

ARTICLE VIII. INDEMNIFICATION

Section 1 – Indemnification: This corporation may voluntarily indemnify any trustee, officer, director, employee or agent of the corporation who was or is (because of said relationship with this corporation) threatened to be made a party in any legal proceedings whether civil, criminal, administrative or investigative if successful on the merits or otherwise in defense, or even if unsuccessful in defense, for his or her reasonable expenses, including attorneys' fees incurred in the defense of the proceeding, if such person is successful in whole or in part, or the proceeding against said person is settled with the approval of the court; and the court finds that the person's conduct fairly and equitably merits such indemnity. The amount of such indemnity, which must be approved by the court in the same or separate proceeding, shall be so much of the expenses, including attorneys' fees incurred in the defense of the proceeding, as the court determines and finds to be reasonable. Application for such indemnity may be made either by the person sued or by the attorney or other person rendering services to him or her in connection with the defense, and the court may order the fees and expenses to be paid directly to the attorney or other person, although he or she is not a party to the proceeding. Notice of the application for such indemnity shall be served upon the corporation, its receiver, or its trustee, and upon the plaintiff and other parties to the proceeding. The court may order notice to be given also to the members in the manner provided in these bylaws for giving notice of members' meetings, in such form as the court directs.

ARTICLE IX. CONFLICTS OF INTEREST

Section 1 – Conflict of Interest Policies and Procedures: This Corporation's conflict of interest Policy is attached (marked as Appendix A) and incorporated herein in its entirety. The Conflict of Interest Policy was adapted from the Sample Conflict of Interest Policy provided by the IRS's Form 1023 instructions. The Board of Directors may develop additional policies and procedures as required to enforce the adopted policy. The Board is authorized to approve any revisions necessary in order to comply with IRS requirements for tax-exempt organizations.

Section 2 – Code of Ethical Conduct, Policies and Procedures: The Board of Directors may adopt a Code of Ethics, Policies and Procedures applicable to members of the Board of Directors, other volunteers or employees and/or the Corporation requiring a higher standard of behavior than described in Section 1 above. The Board of Directors may address issues of conduct permissible under applicable federal and state laws. Those issues may extend beyond conflict of interest, including but not limited to anti-

harassment and anti-discrimination policies, duties of confidentiality and privacy, publicity or any other matter relevant to the Corporation's activities, employees, volunteers and property.

ARTICLE X. DEFINITIONS

Voting Member – Any member who meets the conditions defined in Article III, Section 4. Only Voting members will be allowed to vote in general meetings

Non-Resident Affiliate – An individual who meets resident requirements and wishes to attend CHCR events without becoming a resident. Non-resident affiliates will pay an affiliation fee set by the board of directors.

ARTICLE XI. AMENDMENTS

Section 1 – Amendments: These bylaws may be amended at a general meeting by a three-fourths vote of the voting membership present (or as described in Article III Section 7 by remote voting). The Secretary should sign, date, and archive any amendments to the bylaws.

CERTIFICATE OF APPROVAL AND ADOPTION

I, the undersigned, do hereby certify:

A. That I am the duly elected Secretary of the
Chi Rho Alumni Association of
1516 N. Cleary In.
Goddard, KS 67052

a not-for-profit corporation; and

B. That the foregoing bylaws, comprising 12 pages, constitute the current bylaws of said corporation, as duly approved and adopted at the meeting of the Acting Board of Directors of the _____ thereof duly held on the _____ day of _____, 20____.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name this _____ day of _____, 20____.

**Appendix A:
CONFLICT OF INTEREST POLICY OF
Chi Rho Alumni Association**

Article I. 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.

Article II. Definitions

1. 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.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. 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.

Article III. Procedures

1. 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.

2. 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.

3. Procedures for Addressing the Conflict of Interest

The following procedures shall be followed.

- a. 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.
- b. 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.
- c. 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.
- d. 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.

4. Violations of the Conflicts of Interest Policy

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall

inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

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

Article IV. Records of Proceedings

1. Records

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.

Article V. Compensation

1. Voting - Governing Board Members

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.

2. Voting - Committee Members

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.

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.

Article VI. Annual Statements

1. Annual Statements – Procedure and Content

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

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII. 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.

1. Minimum Expectation for Review

The periodic reviews shall, at a minimum, include the following subjects:

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

Article VIII. 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.