

# **Brighten Academy Charter School PTO, Inc (BACS PTO) Bylaws**

*As revised and accepted by PTO Board and General Membership on August 28, 2017*

## **Article I – Name**

The name of the organization shall be the Brighten Academy Charter School PTO, Inc. (BACS PTO).

## **Article II – Purpose**

The Brighten Academy PTO shall strive to:

- a. Develop a closer connection between school and home by encouraging parent involvement.
- b. Enhance the educational experience by supporting academic and enrichment activities.
- c. Improve the environment at our school by providing volunteer and financial support.

## **Article III – Membership & Dues**

- Section 1 Membership in the PTO shall be open, without discrimination to any Brighten Academy Charter School parent, legal guardian, family member, teacher, staff, Administrator, Charter School Board Member, or community member interested in the objectives of this organization and willing to uphold its policies and bylaws may become a voting member upon payment of dues.
- Section 2 The PTO Board shall set the annual dues which are payable to the PTO, through the Treasurer. Annual dues are non-refundable.
- Section 3 Only members of the PTO who have paid their dues for the current school year may vote and participate in the business of the organization.
- Section 4 **PTO Memberships shall be open until March 1<sup>st</sup> of each school year.**
- Section 5 Membership duration shall be from the current 1<sup>st</sup> day of school until the last day of summer break.

## **Article IV – The PTO Board**

- Section 1 The PTO Board members of this organization shall consist of a President, Vice President, Recording Secretary, Communication Coordinator, Treasurer, Co-Treasurer (when needed), Membership Officer/room parent coordinator, Fundraiser/Donation Coordinator, Teacher/Parent Liason, and the School Administrator or an appointed Representative for the School Administrator. The board may designate additional officers as needed.
- Section 2 All PTO Board members are expected to attend all PTO Board meetings, the General membership meetings, and at least three (3) Brighten Governing School Board meetings.
- Section 3 The newly elected PTO Board members shall assume their duties on May 31<sup>st</sup> and shall serve for the term of one (1) year until their successor's term begins. (The close of the fiscal year)
- Section 4 Any PTO Board member is eligible to serve in the same position if voted into the position by PTO members or by vacancy.
- Section 5 The outgoing President shall be invited to serve as an advisor to the PTO Board for one year in order to ensure continuity.
- Section 6 PTO Board members are expected to turn over all books, records, and materials pertaining to their term to the incoming elected PTO Board member no later than the beginning of the fiscal year.
- Section 7 A vacancy occurring in any PTO Board position, except for the presidency, will be posted to all PTO general members for the duration of two (2) weeks (14 days). The vacant PTO Board

position shall be filled for the unexpired term by the candidate elected by a majority vote of the remaining PTO Board.

Section 8 In the case a vacancy occurs in the office of the President, the Vice President shall serve as President for the remainder of the term. If necessary, the Vice President's office would be filled as stated above.

Section 9 PTO Board members should always conduct themselves in a higher orderly manner that would represent the school in a professional light.

Removal from office may occur by a majority vote of the PTO Board for the following:

- Missing more than two (2) UNEXCUSED consecutive meetings.
- Missing three (3) total UNEXCUSED meetings per school year.
- Failure to perform assigned duties as listed in ARTICLE VI.
- Theft or fraud.
- Acts of Physical Violence – Intentionally making physical contact of an insulting or provoking nature with another person or person on the Board, or intentionally making physical contact with cause of physical harm to another person unless such physical contact were in defense of himself/herself.
- Aggression Toward Others – intentionally making verbal, written or recorded comments of insulting or provoking nature to another person of staff, board, student, or facility.
- Any Act with Substantially Disrupts the Orderly Conduct of a School Function, or Extracurricular Program or Activity – behavior not specifically described above which substantially disrupts the orderly environment or poses a threat to the health, safety and/or welfare of another.
- Falsifying Information – misrepresenting, omitting, or erroneously reporting information regarding instances of alleged inappropriate behavior by a board member toward another board member, administrator, facility, student, or staff.
- Inappropriate Use of Technology – Unauthorized use of a computer, its programs, websites, or a computer network.
- Intimidation – the verbal or physical threat to do harm or violence to another person(s) or to the property of the facility.
- Sexual Offenses – any act intended to create a hostile environment or exposure of any kind to gain sexual favors as defined by Georgia law.
- Repeated Misconduct of Less Serious Nature – repeated misconduct, or warnings (2) by Board President which leads to disrupt an order of the PTO board which would include but not limited to profanity, Obscene gestures or any other use of oral or written language, gestures, objects or pictures which are socially unacceptable and which tend to disrupt the orderly school environment, a school function, extracurricular activity, PTO Board meeting, or function.
- Any act that brings dishonor to the organization as determined by the PTO Board and the Brighten Academy Governing Board.

Section 10 Removal shall take place after the PTO Board has met in an effort to discuss the problem and all attempts have been made to resolve the problem. Removal shall be done by a majority vote by the PTO Board.

### **Article V – PTO Board Duties**

- Section 1 Manage the business of the General PTO Membership and assume the responsibility for guidance of the affairs of the Parent Teacher Organization.
- Section 2 Create special committees as deemed necessary.
- Section 3 Transact necessary business in the intervals between General Membership meetings.
- Section 4 Approve the plans of the committees.
- Section 5 Present a report at the General Membership meetings of any action taken by the PTO Board.
- Section 6 Facilitate an annual audit of the Treasurer's records after fiscal year end, and before the first fall General Membership meeting.
- Section 7 Prepare an annual budget for membership approval.
- Section 8 Approve routine bills within the limits of the budget.
- Section 9 Meet monthly prior to the General Membership meetings.
- Section 10 Approve unbudgeted expenditures related to the funding of PTO events, up to a maximum of \$600. Expenditures over \$600 must be put to a vote by the PTO General Membership.
- Section 11 Oversee the PTO fundraising activities of the school year.
- Section 12 Assure that all PTO funds be spent as specified within each event.
- Section 13 Assure that any profits from fundraisers that are allotted for "school needs" shall be approved by the School Administration.
- Section 14 All PTO Board members will have a background check through the school. Brighten Academy's rules for background checks will apply.

### **Article VI – PTO Board Member Duties**

- Section 1 President's Duties
  - a. Presides at all PTO Board meetings and the General Membership meetings.
  - b. Prepares agendas for the PTO Board meeting and the General Membership meetings.
  - c. Coordinates the work of the PTO Board members and committees in order that the objectives of the PTO may be promoted.
  - d. Helps coordinate all fundraising efforts, social activities, committee chairs and volunteers.
  - e. Delegate responsibilities, offer assistance schedule meetings, oversee events with other PTO Board members and chairs.
  - f. Creates the event calendar with the help of the board
  - g. Meets with the School Administrator or designates other PTO Board members to discuss upcoming events and activities.
  - h. Presents any new business.
  - i. Acts as the official spokesperson of the organization.
  - j. Acts as custodian of all records of the organization.
  - k. Recruits committee chairpersons.
  - l. Delivers to the successor in office, all records in his/her possession by fiscal year end.

- m. Submits a written report detailing responsibility and recommendations to the future PTO Board by fiscal year end.
- n. Be a signee on all financial accounts.
- o. Serves as an ex officio member of all committees except for the election committee.
- p. Makes any necessary revisions/corrections to the minutes that are to be approved at the following PTO Board meeting.
- q. Recruits two (2) nominees to serve on the Brighten Governing Board Election committee.
- r. Contents of the President's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - All communications received by the School Administration
  - Current PTO calendar
  - All insurance policies
  - Tax ID
  - A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
  - All PTO forms

## Section 2 Vice President's Duties

- a. Aids the President.
- b. Performs the duties of the President in the event the President is absence or unable to serve.
- c. Coordinates all fundraising efforts, social activities, committee chairs and volunteers.
- d. Acts as liaison between Committee Chairs and the PTO Board.
- e. Be a signee on all financial accounts.
- f. Delivers to the successor in office, all records in his/her possession by fiscal year end.
- g. Submits a written report detailing responsibility and recommendations to the future PTO board by fiscal year end.
- h. Contents of the Vice President's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - Current PTO calendar
  - Tax ID
  - A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
  - All PTO forms

### Section 3 Recording Secretary's Duties

- a. Prepares any materials needed for distribution or reference at PTO Board meetings and the General Membership meetings.
- b. Maintains attendance records from the General Membership meetings.
- c. Accurately records all business at each PTO Board and General Membership meeting.
- d. Provides minutes to the PTO Board for revision and presents the minutes for approval at the General Membership meetings.
- e. Responsible for maintaining the bylaws, which includes the ability to correct non substantial errors in spelling, grammar, or numbering without amendment, subject to approval by the PTO Board.
- f. Provides access to the bylaws to all PTO members.
- g. Keeps and maintains files and records of communications, documents, etc. belonging or relevant to the PTO.
- h. Keeps and maintains the PTO calendar of events.
- i. Is prepared at each meeting with previous minutes, lists of committee chairs and members, materials or note/minute taking.
- j. Reviews the PTO bank statements and reconciliations monthly.
- k. Delivers to the successor in office, all records in his/her possession by fiscal year end.
- l. Submits a written report detailing responsibility and recommendations to the future PTO board by fiscal year end.
- m. Contents of the Recording Secretary's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - Current PTO calendar
  - All insurance policies
  - Tax ID
  - A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
  - All PTO forms

### Section 4 Communications Coordinator

- a. Prepares correspondence as needed.
- b. Works with Brighten Academy's webmaster to keep events current on the school website and social media platforms.
- c. Maintains the PTO social media pages.
- d. Helps develop and coordinates the event timeline for the year and presents it to the Brighten Academy Governing Board for approval.
- e. Prepares all PTO updates for the school newsletter and prepares a monthly or quarterly PTO newsletter/update.
- f. Delivers to the successor in office, all records in his/her possession by fiscal year end.

- g. Submits a written report detailing responsibility and recommendations to the future PTO board by fiscal year end.
- h. Contents of the Communication Coordinator's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - Current PTO calendar
  - All insurance policies
  - Tax ID
  - A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
  - All PTO forms
  - Access to all PTO website hosting services and records
  - Access to all PTO social media sites

#### Section 5 Treasurer's Duties

- a. Shall be custodian of all PTO organization funds.
- b. Be a signee on all financial accounts.
- c. Disperses authorized funds on behalf of the PTO.
- d. Prepares a monthly reconciliation of the bank account.
- e. Provides monthly bank statements and reconciliations to the Recording Secretary for review.
- f. Provides and presents financial reports for review to the PTO Board monthly.
- g. Provides and presents financial reports at all General Membership meetings.
- h. Provides a monthly cash-flow report at PTO Board meetings.
- i. Prepares a year-end financial report within 15 days after the fiscal year end.
- j. Facilitates an annual audit of the financial records before May 31 or by end of year.
- k. Prepares Federal tax forms as required by the IRS and submits before or on the legal deadline.
- l. Delivers to the successor in office, all records in his/her possession by fiscal year end.
- m. Submits a written report detailing responsibility and recommendations to the future PTO board by fiscal year end.
- n. Contents of the Treasurer's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - Current PTO calendar
  - All insurance policies
  - Tax ID

- A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
- All PTO forms
- A receipt book to acknowledge money received
- The PTO checkbook
- Access to the prior year(s) and current Treasurer accounting system
- Prior year tax information
- Prior year audit reports
- Prior year bank statements and reconciliations
- Access to the PTO bank account

#### Section 6 Membership Officer's Duties

- a. Maintains a current membership status.
- b. Maintains the membership database of current names, phone numbers, and email addresses of all PTO members.
- c. Markets PTO membership advantages to Parents and Teachers
- d. Serves as Room Parent Chair
  - Schedules and organizes room parent meetings
  - Distribute and collect room parent binders/files of information
  - Acts as a liaison between Room Parents, PTO, and School Administration
- e. Delivers to the successor in office, all records in his/her possession by fiscal year end.
- f. Submits a written report detailing responsibility and recommendations to the future PTO board by fiscal year end.
- g. Contents of the Membership Officer's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - Current PTO calendar
  - Tax ID
  - A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
  - All PTO forms

#### Section 7 Fundraising/Donor Chair

- a. Sets up and coordinates all spirit nights and keeps track of the contacts used.
- b. Helps find new & innovative fundraising ideas & grant opportunities for the PTO and makes recommendations to the board in this regard.
- c. Promotes ongoing fundraisers ( Kroger, Publix) throughout the year.
- d. Delivers to the successor in office, all records in his/her possession by fiscal year.

- e. Submits a written report detailing responsibility and recommendation to the future PTO board by fiscal year.
- f. Contents of the Fundraising Donor Chair's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - Current PTO calendar
  - Tax ID
  - A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
  - All PTO forms

#### Section 7 Parent/Teacher Liason

- a. Attends all PTO Board and General Membership meetings or appoints a representative to attend in his/her absence.
- b. Represents the Brighten Academy teaching staff at PTO Board meetings.
- c. Serves as the Parliamentarian of the PTO Board.
- d. Acts as a liaison between teaching staff and PTO Board.
- e. Delivers to the successor in office, all records in his/her possession by fiscal year end.
- f. Submits a written report detailing responsibility and recommendations to the future PTO board by fiscal year end.
- g. Contents of the Teacher Representative's updated files shall consist of:
  - The current PTO bylaws
  - The approved budget
  - An up to date roster of the PTO members
  - Current PTO calendar
  - Tax ID
  - A copy of the Sales Tax Exemption letter from the Georgia Department of Revenue
  - All PTO forms

#### Section 8 School Administrator

- a. Maintains communication with the PTO President and/or PTO Board members.
- b. Updates Governing Board concerning PTO events, activities, and funds.
- c. Appoints Teacher Representative for PTO Board if needed.
- d. Supports PTO Board decisions.
- e. Informs staff of upcoming PTO events and activities.



### **Article VII – Elections**

- Section 1 PTO Board members shall nominate at least one eligible person for each office to be filled and report its nominees at the April PTO Board meeting. Additional nominations may be made from the membership at large. Voting shall take place in the month of May among the membership at large.
- Section 2 Nominations for all PTO Board positions will be open up to one week prior to the election meeting (the “freeze date”). Nominees who meet the deadline will appear on the ballot and will be publicly announced. Nominees who come forward after the freeze date will be considered write-in candidates on the ballot and may receive no public announcement.
- Section 3 The consent of each nominee shall be secured before his/her name is presented.
- Section 4 All PTO Board members, with the exception of the Teacher Representative and the School Administrator shall be elected by ballot annually in the month of May. If, however, there is but one nominee for any office, then with a motion from the floor, the election may be by voice vote.
- Section 5 Each position shall be voted for independently.
- Section 6 Plurality elects.
- Section 7 The outgoing PTO Board and the newly elected PTO Board members shall have a combined meeting in May so as to provide an orderly transfer of responsibility.

### **Article VIII – Committees**

- Section 1 Committees shall be created by the PTO Board as needed to promote the purpose and interests of the PTO Organization. The need for specific committees will be reviewed annually.
- Section 2 Committees will consist of Standing Committees, Special Committees, and Executive Committees.
- Section 3 Committee Chairpersons will be voted into office by the PTO Board. The PTO President and the School Administrator are ex-officio members on every committee, except the election committee.
- Section 4 Committee Chairpersons will be responsible for organizing and managing their committee.
- Section 5 The Chairpersons of each committee shall present their plans to the PTO Board verbally, and submit their plans in written format. No committee work shall be started without the approval of the PTO Board.
- Section 6 The Chairpersons shall report updates on current committee activities to the PTO Board and at the General Membership meetings as necessary.
- Section 7 The Chairpersons must adhere to the committee budget for each event/activity.
- Section 8 Any Special or Standing committee without a committee chair will be chaired and organized by the PTO Board as a whole.
- Section 9 All PTO Board members are invited to sit or attend any committee meetings.

### **Article IX – Meetings**

- Section 1 Regular General Membership meetings of the PTO shall be held at least two (2) times during the school year, or as designated by the PTO Board.
- a. Dates and times shall be determined by the PTO Board with approval from the School Director.

- b. Three (3) days' notice shall be given of a cancellation or change of date or time unless emergency conditions prevent such notice being given.
- Section 2 The last General Membership meeting shall be known as the annual meeting for annual reports and the installation of officers.
- Section 3 Debating and voting in General Membership meeting shall be limited to members of the PTO who have paid their dues for the current membership year.
- Section 4 Quorum
  - a. General Membership meetings – 12 members shall constitute a quorum for the transaction of business at any General Membership meeting.
  - b. PTO Board meetings – 5 PTO Board members shall constitute a quorum for the transaction of necessary business and/or approval of routine bills in the intervals between General Membership meetings.
- Section 5 The PTO Board shall comply with the provisions of the Open Meetings Law, O.C.G.A. 50-14-1 and Inspection of Public Records Law, O.C.G.A. 50-18-70. Meeting dates and times will be publicly announced to all members according to law. In executive sessions, as called and defined by law, only PTO Board members will be present. All other parties, including the School Administrator and the Governing Board representative *ex-officio* shall be present at the pleasure of the PTO Board.

#### **Article X – Fiscal Year**

The fiscal year of the PTO shall be from June 1 until May 31. (Amended 07/09/2011)

#### **Article XI – Financial**

- Section 1 No part of the net earnings of the PTO shall come to the benefit of, or be distributable to its members, PTO Board, Governing Board, School Administrator, Chairperson or other private person with the exception of authorized compensation for services rendered.
- Section 2 PTO pays by check, debit card, or online payment, all authorized bills for items and/or services in the budget or items and/or services approved by the PTO Board. Cash should not be used unless it is the only payment method available, and if used, a written comprehensive receipt must be obtained.
- Section 3 All PTO checks should have two (2) signatures from the persons authorized in Article II, Section 4.
- Section 4 The PTO Treasurer confirms that the PTO has fidelity bond coverage for PTO funds, as well as current general liability, and directors and officer's liability to protect the PTO officers and the PTO organization.
- Section 5 All PTO purchases or payments must have a receipt.
- Section 6 All PTO monies received shall be counted by two (2) people, and agreement noted on the total amount given to and received by the Treasurer.
- Section 7 All PTO check requests, receipts, paid bills, bank statements, etc. shall be preserved for annual audit.
- Section 8 No PTO check should be made payable to "cash" or issued for an unspecified amount.
- Section 9 No PTO money should ever be deposited in anyone's personal account or the school's account. PTO funds should always be kept separate from school funds.
- Section 10 All PTO checks should only be written for items in the approved budget.

- Section 11 Any changes in the budget, or expenditures not included in the budget, must be approved by the PTO Board.
- Section 12 Each PTO income and expense transaction must be accounted for in the Treasurer's accounting system and allocated to the correct category.
- Section 13 All PTO purchases must have prior approval from the PTO Board.
- Section 14 All bank statements and monthly reconciliations must be reviewed by the Recording Secretary.
- Section 15 All returned checks will be charged in accordance to the schedule of fees from the banking institution. A certified letter will be mailed to the debtor requiring that payment must be returned within 5 days of receipt of the letter. The PTO Board will determine a returned check fee schedule each year, and will determine further collection action when necessary.
- Section 16 All equipment purchased by the PTO is for PTO use only, unless prior approval is obtained.
- a. Equipment requests must be submitted in writing to the PTO Vice President at least two (2) weeks prior to the event/activity by the person who will be responsible for the use and return of the equipment.
  - b. The PTO will respond to all requests at least one (1) week prior to the event/activity.
  - c. Requestor is responsible for purchasing all supplies needed to operate the requested equipment.
  - d. Equipment must be returned to the PTO in clean, working condition within 48 hours of the end of the event/activity.
  - e. The PTO Board maintains final discretion on the use of PTO equipment and may approve or deny use.

#### **Article XII – Policies**

- Section 1 The program of this organization shall be educational and shall be implemented through committees, projects, and events.
- Section 2 This organization shall be non-commercial, non-sectarian. No commercial enterprise shall be endorsed by it. Neither the name of the organization nor the names of its officers in their official capacities shall be used in any connection with a commercial concern or for any purpose other than the regular work of the organization.
- Section 3 This organization shall not seek to direct the administrative activities of the school, or to control its policies.
- Section 4 All funds shall be kept in a checking account in the name of Brighten Academy PTO and held at a local financial institution. Two authorized signatures are required on all PTO checks. The only signatures authorized to sign are the President, Treasurer, Co-Treasurer, and Vice President. The signature on any check cannot be the payee.
- Section 5 The organization shall leave a minimum of \$2,500.00 in the treasury at the end of each fiscal year.
- Section 6 Reimbursement requests must be made within 30 days of the expenditure, otherwise the request will be denied. To be reimbursed from the PTO, a receipt or invoice with statement of purpose must be submitted to the Treasurer. All reimbursements must have prior approval by the President.
- Section 7 Contracts to be executed will be limited to the President or President's appointed PTO board member.
- Section 8 The PTO must be bonded to ensure integrity of fund management.
- Section 9 The PTO will renew all insurance coverage annually to protect the organization.

### **Article XIII – Dissolution**

#### Section 1 Procedure

- a. The organization, by majority vote in a General Membership meeting, shall authorize the appointment of a committee to consider the reasons for disbanding and the necessary steps to be taken.
- b. Notice of intent to disband shall be given to all members, in writing, at least thirty (30) days prior to the General Membership meeting.
- c. The committee shall submit a report at the next General Membership meeting.
- d. A quorum for the purpose of dissolution shall be 25% of the current year's total membership.

Section 2 The funds remaining in the Treasury at the time of dissolution shall be submitted to the Brighten Academy Governing Board and earmarked for school needs or transferred into a newly adopted Brighten Academy Parent Organization's bank account.

### **Article XIV – Parliamentary Authority**

The authority for the PTO Organization shall be "Robert's Rules of Order".

### **Article XV – Revision of Bylaws**

#### Section 1 Revision procedure

- a. The executive bylaws committee, which consists of the PTO Board and all committee chairs, may revise the set of bylaws as a substitute for the existing bylaws by a 2/3 vote.
- b. These bylaws may be revised annually or as needed.

Section 2 Any additional revisions to the bylaws by the membership during the school year, shall be written and submitted to the PTO Board for approval.

### **Article XVI – 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 any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### Section 2 Definitions.

- 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.
- Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - An ownership or investment interest in any entity with which the organization has a transaction or arrangement;

- A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement; or
- 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.
- a. **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.
- b. **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:

- Has received a copy of the conflict of interest policy;
- Has read and understood the policy;
- Has agreed to comply with the policy; and
- 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.

