

**Mumford High School Alumni Association
By-Laws
(Ratified August 16, 2004)
Last Update April 6, 2009**

	Page
Preamble	3
Article I Name	3
Article II Mission Statement	3
Section 1) Purpose.....	3
Section 2) Goals.....	3
Article III Meetings	3
Article IV Membership	4
Section 1) Eligibility.....	4
Section 2) Membership Classifications.....	4
Section 3) Termination of Status.....	5
Article V Association Fees and Dues	6
Section 1) Students and Graduates.....	6
Section 2) Teachers and Administrators.....	6
Section 3) Associate Membership	6
Section 4) Committee Membership.....	7
Section 5) Lifetime Membership.....	7
Section 6) Membership Cards.....	7
Article VI Officers Duties	7
Section 1) Officers and Term length.....	7
Section 2) Duties of Officers.....	7
Section 3) Duties of the Executive Board.....	8
Article VII Elections and Government	10
Section 1) Election Eligibility and Nomination Committee.....	10
Section 2) Election Committee.....	10
Section 3) Election Rules and Procedures.....	11
Section 4) Tenure.....	12

Article VIII	Sub Committees.....	12
	Section 1) Audit Committee.....	12
	Section 2) Fund Raising Committee.....	12
	Section 3) Benevolence Committee.....	13
	Section 4) Communication Committee.....	13
	Section 5) By-Laws Committee.....	13
Article IX	Allocation of Association Funds.....	14
	Section 1) Purpose of Association Funds.....	14
	Section 2) General Fund.....	14
	Section 3) Burgundy and Blue Scholarship Fund.....	15
	Section 4) Building Fund.....	15
	Section 5) Creative Arts Fund.....	16
	Section 6) Athletic Fund.....	16
	Section 7) Dissolution of Association Funds.....	16
Article X	Appointments and Membership Responsibilities.....	17
	Section 1) Appointments.....	17
	Section 2) Membership Duties.....	17
Article XI	Conflict of Interest Policy.....	17
	Section 1) Purpose.....	18
	Section 2) Definitions.....	18
	Section 3) Procedures.....	18
	Section 4) Compensation.....	19
	Section 5) Annual Statements.....	20
	Section 6) Periodic Reviews.....	20

Preamble

No army is stronger than its soldiers. The soldiers of an organization are its members. The quality of the leadership of any group reflects the quality of its members. All meetings are important. They are your meetings. The officers of any organization are elected to serve; not dominate. Your attendance, your votes, your concerns will make good officers to serve a good organization. Stay involved!

Article I: Name

Know that this organization shall here forth be known as the **Mumford High Alumni Association**, a non-profit entity comprised of Mumford High School graduates and administrators.

Article II: Mission Statement

Section 1) Purpose

The Mumford High School Alumni Association will support the Mission of the Detroit Public Schools and Mumford High School to promote a healthy learning environment that will prepare students to become successful and productive contributing members of society.

Section 2) Goals

In an effort to foster these goals; The Alumni Association shall:

- A)** Institute a mentoring program for Mumford High School students.
- B)** Provide financial assistance to students with a desire to attend college, business or trade school.
- C)** Develop strategies and means to make necessary building repairs and renovations.
- D)** Communicate with school administration regarding students that need tutoring, supplies, clothing, food or any other basic needs.

Article III: Meetings

The Alumni Committee meeting shall be held once a month at a location agreed upon by the Committee body, as is convenient for the facilitation of business until a permanent location is established.

Article IV: Membership

Section 1) Eligibility

Mumford seniors in their last semester, any and all students graduating from Mumford High School, current and former teacher and administrators are eligible to join the Mumford High School Alumni Association.

Section 2) Membership Classifications

- A) General Membership**
- B) Associate Membership**
- C) Committee Membership**
- D) Lifetime Membership**
- E) Honorary Membership**
- F) Student Council, Teachers and Administrators**

- A) General Membership:** Members consist of individuals eligible to join the Alumni Association that have paid the membership fee. They are eligible to attend all Association events and meetings and can volunteer their services to the association. They are not allowed to vote. They cannot run for office during elections. They can serve on committees and receive appointments.
- B) Associate Membership:** membership consists of Individuals eligible to join the Alumni Association that have paid the membership fee and the annual associate membership dues. They are eligible to attend all association meetings and events and can volunteer their services to the association. They are allowed to vote but cannot run for office during elections. They can serve on committees and receive appointments. Associate members with 5 years of service within the organization are automatically granted lifetime membership status.
- C) Committee Membership:** Members consist of individuals eligible to join the Alumni Association that have paid the membership fee and the annual committee membership dues. They are eligible to attend all Association meetings and events and can volunteer their services to the association. They are allowed to vote and can run for office during elections; they can serve on committees and receive appointments. Committee members with 3 years of service within the organization automatically are granted lifetime membership status.

- D) Lifetime Membership:** membership consists of individuals eligible to join the Alumni Association that have either paid the lifetime membership fee or served 3 years as a committee member or 5 years as an associate member. They are eligible to attend all association meetings and events and can volunteer their services to the association. They are allowed to vote and can run for office during elections. They can serve on committees and receive appointments.
- E) Honorary Membership:** Individuals who have expressed sincere dedication and support of Mumford High School and the Mumford High School Alumni Association can be granted the status of honorary membership. They are allowed to attend all association events. They are not allowed to vote and they can not run for office during elections. They can serve on committees and receive committee appointments.
- F) Student Council, Teachers and Administrative Faculty:**
- 1) All officers of the senior student council are granted the status of Protégé Committee Members during their tenure. They are eligible to attend all association meetings, functions and events and can volunteer their services to the association. They are not allowed to vote. They cannot run for elected office. They can serve on committees and receive appointments. At the end of their tenure on the Student Council their membership reverts to general membership status.
 - 2) Teachers and Administrative Faculty of Mumford High School and the Board of Education are granted the status of General Membership. They are eligible to attend all association meetings, functions and events and can volunteer their services to the association. They are not allowed to vote. They cannot run for office during election. They can receive committee appointments.
 - 3) Current and Former Principals and teachers with over four (4) years of service vested in Mumford High School are eligible to apply for Committee member status. Admissions of these applicants are subject to Executive Board approval.

Section 3) Termination of Status:

- 1) General Memberships are for life and cannot be terminated.
- 2) Committee Memberships can be terminated by death, voluntary withdrawal as herein provided or disciplinary procedures resulting from violation of these by-laws.

- 3) Any Committee member who fails to pay dues within (60) days from the time the same becomes due shall be notified in writing of such delinquency and if payment is not made within the next succeeding (30) days, they shall be reported to the Executive Board. If so ordered by a majority vote of the Executive Board, the Committee member shall, without further notice be dropped from the Committee membership roster and revert to general membership status. Such expulsion can be appealed for cause to the Executive Board within (60) days of expulsion.
- 4) Any Committee member may be censured, suspended or terminated. Sufficient cause therefore shall be violation of these by-laws, and any resolution adopted by the Association, and/or any conduct imprudent to the interest of the Association. A member in writing must make charges to the Executive Board. The Executive Board will request the full statement of charges be sent to the last recorded address of the member by the Recording Secretary at least (15) days prior to the hearing thereon. This statement shall be accompanied by a notice of the time and place of the meeting of the Executive Board and the charges that are being considered. The member shall have the opportunity to appear in person or by representation and present a defense to such charges before action is taken.
- 5) Censure, suspension or expulsion shall result upon a (2/3) vote of the Executive Board members present after hearing the charges, whether or not the accused or his/her representative appears. Any member so disciplined may appeal such action of the Executive Board to the Committee membership at the next regular meeting. Pending the hearing of such an appeal, any action imposed shall remain in force.
- 6) Any Student Council member found in violation of these by-laws shall be reported to the school principal for administrative disciplinary action.

Article V: Association Fees and Dues

Section 1) Students and Graduates

Mumford High School Alumni Association General Membership application fee shall be five (\$5.00) dollars for high school seniors, Student Council and Graduates until the applicants 20th birthday.

Section 2) Graduates, Teachers and Administrators

Mumford High School Alumni Association General Membership application fee shall be twenty-five (\$25.00) dollars for high school graduates 20 years plus 1 day old, Teachers and Administrative faculty.

Section 3) Associate Membership

Mumford High School Alumni Association Associate Membership dues shall be seventy (\$70.00) dollars, a year to be paid in one lump sum.

Section 4) Committee Membership

Mumford High School Alumni Association Committee Membership dues shall be one hundred and twenty (\$120.00) dollars a year, to be paid by April 30th. Alternatively, a member may pay their dues in ten (\$10.00) dollar increments during monthly meeting. A committee member must have at least one year of dues paid in order to vote or run for office.

Section 5) Lifetime Membership

Mumford High School Alumni Association Lifetime Membership shall be a one-time three hundred (\$300.00) dollar fee paid in one lump sum.

Section 6) Membership Cards

All Alumni having paid the application membership fee shall receive either in person or by mail a membership card denoting their general membership in the Mumford High School Alumni Association.

Article VI: Officers Duties

Section 1) Officers and Term Lengths

President (2 year term)
Vice President (1 year term)
Recording Secretary (2 year term)
Treasurer (1 year term)
Sergeant at Arms (2 year term)
Executive Board (2 year term)

Section 2) Duties of Officers:

- A) **President:** It shall be the duties of the President to preside at all general and special meetings of the Association. The President shall sign all contracts and other instruments of writing, which shall have first been recommended by the Executive Board and approved by the Committee membership. The President shall have the privilege to attend all sub-committee meetings and perform all other duties usually

pertaining to the office. This includes appointments of all vacancies of elected officers and all sub committees, subject to the approval of the Executive Board. The President shall present a tentative schedule of events for the coming year to the Executive Board, not later than February of the calendar year. The President shall be bonded when funds are available.

- B) **Vice President:** In the absence of the President the vice-president shall perform all duties of the President. The Vice President shall perform other duties assigned to them by the President. He/She has the privilege to sit in on sub-committee meetings. The Vice President's primary objective is to keep sub-committees actively on schedule. The vice-president shall be bonded when funds are available.

- C) **Recording Secretary:** Shall keep a record of all minutes of the governing body. They shall handle all correspondence and communications within the organization. They shall co-sign all contracts and checks and anything pertaining to Association business. In the absence of the President and Vice President they shall preside over the general membership meeting. The Recording Secretary shall be bonded when funds are available.

- D) **Treasurer:** It shall be the duty of the Treasurer to act as banker of the Association. Holding all funds deposited with them and paying them out on the orders of the Association signed by the Treasurer and the President or Secretary. The treasurer shall make a monthly and bi-annual report for the information of the membership. The Treasurer shall be bonded when funds are available.

- E) **Sergeant at Arms:** It shall be the duty of the Sergeant at Arms to uphold order at all membership meetings and to remove any member disruptive as ordered by the Chairperson presiding over said meeting.

- F) **Executive Board:** Will serve as an executive and steering committee for the good and welfare of the organization. It shall have powers to act on behalf of the organization during the interim between meetings. The Executive Board will inspect and check the operations of all committees and sub-committees without infringing on the rights delegated to those committees.

Section 3) Duties of the Executive Board

- A) The business affairs and property of the Association shall be managed and controlled by an Executive Board of seven members who must be

financially sound. The out-going President shall serve as the seventh member of the Board with all rights and privileges. If there is not an out-going President, seven (7) members will be elected. The Board members will keep a complete record and minutes of all their acts and proceedings and report them to the general membership monthly.

- B)** The Executive Board shall also accept the resignations of committee members. The President shall fill any permanent vacancies that may occur on the Board for the unexpired term. The President shall fill any temporary vacancy on the Executive Board for the period of such vacancy, with the approval the Executive Board.
- C)** The Executive Board shall have the power to take action on any committee member for misconduct, malfeasance or misfeasance. Such an action shall require a majority vote of the members of the Board present at any regular scheduled Executive Board meeting.
- D)** The time and place of the Executive Board meeting shall be prior to each membership meeting.
- E)** Five (5) members shall constitute a quorum. They shall at all time act by a majority of those present.
- F)** Any member who accepts nomination and is elected to the Executive Board knowing that his job or other outside duties will prevent him from attending Executive Board meetings, shall have their seat declared vacant.
- G)** All bills, notes, checks or other instruments negotiable or otherwise shall be made in the name of the Association and shall be signed by the President and Treasurer, or by two other officers designated by the Executive Board during emergency situations.
- H)** Financial Officers of the Association (including the President and vice-presidents) shall be bonded by such methods and agencies and in such amounts as the Executive Board may determine, but in no case shall the bond be for less than the amount required by law.
- I)** The Executive Board shall have the power to accept in the name of the Mumford High School Alumni Association any gift, bequest, moneys or any property, whether real, personal or minded, without limitations as to the amount or value for the purpose of furthering the objective of said association. They shall assist in carrying out such gifts and bequests on behalf of the Association. Such gifts must first be submitted for their approval.

- J) All records of Financial Reports, Business Transactions, Major Purchases and minutes from all meetings must be kept on file for a minimum of five (5) years.

Article VII: Election and Government:

Section 1) Election Eligibility and Nomination Committee

- A) All committee members that are financially sound thirty (30) days before the election shall have the right to vote.
- B) A committee member must be in good standing for one (1) year before becoming eligible for nomination.
- C) Regular elections for each office will be as follows: President (2 year term), Vice President (1 year term), Recording Secretary (2 year term), Treasurer (1 year term), Sergeant at Arms (2 year term), Executive Board (2 year term), and By-law Committee chair (1 year term).
- D) The President shall appoint a **Nominations Committee** of no less than three (3) persons during the month of February for ascertaining the eligibility and qualifications of members being nominated for office.
- E) The **Nominations Committee** will prepare a roster to be posted and certified by the Treasurer of all members eligible for office as of the calendar year. This committee upon completing their list of nominees will turn their findings over to the election committee and then be **terminated**.
- F) Any member who, at the time of nominations because of an emergency and not able to be present, may write a letter of proxy, or call the **Nominations Committee** for acceptance of the position.
- G) Any member who is nominated and not present must notify the **Nominations Committee** in writing within ten (10) days from the date of nomination if they will accept the nomination. Failure to do so will be considered as a rejection.

Section 2) Election Committee

- A) An Election Committee of five (5) members will be nominated and elected by the Committee membership prior to nomination of Officers. They shall take care of the election for the Mumford High School Alumni Association and its Executive Board. Each member must be in

good standing for one (1) year and must not be holding an elected office or accept nomination for an office.

- B)** They must not permit any unauthorized members in the room where votes are being tabulated. Furthermore, they can establish any additional rules necessary to maintain a democratic and orderly election.
- C)** The Election Committee shall see that each candidate accepting a Nomination is given a number drawn at random along with their name.
- D)** The Election Committee chairperson shall be the person with the most Votes among the nominees or if only 5 members are nominated the election committee will elect their own chairperson.
- E)** They shall be responsible for the printing of the ballots. Each ballot will be numbered to coincide with the number of those present and eligible to vote.
- F)** They shall work with the Recording Secretary to insure that all committee members receive mail notification of the election and the names of nominated candidates at least 2 weeks prior to the election.

Section 3) Election Rules and Procedures

- A)** Any candidate shall have the right to petition for a recount, such petition must be filed with the Election Committee in writing within seven (7) calendar days after the final results have been posted. If the Election Committee refuses to grant the recount a candidate has recourse by appealing at the next general membership meeting.
- B)** Any voter in line at the polls at the time of closing will be permitted to vote.
- C)** When a member has voted for more candidates than are permitted for the office, that part of the ballot will become void, however this shall not affect the validity of the remainder of the ballot.
- D)** Each candidate shall be entitled to one (1) challenger, the challenger must be a member of the Association and the candidate must notify the Election committee in writing of the challenger, before the actual counting of the ballots take place.
- E)** In the event of a tie, a run-off election will be held one (1) week after the initial election date. The election committee will supervise over the

run-off election and its termination will be delayed until the final votes are certified as in Section 3 F of this article.

- F)** Once the votes have been tabulated, the election committee will deliver a written report to the Executive Board, who shall meet within (10) days after the election for the certification of the election. After the certification the election committee will be dissolved.
- G)** When the new Executive Board is certified they shall meet within (10) days to elect a Chairperson. The new chairperson shall keep all ballots on file for a period of one (1) year.

Section 4) Tenure

- (A)** No candidate for office may accept nomination to more than one (1) elected office.
- (B)** The President, Recording Secretary, Sergeant at Arm and the Executive Board, will be elected for a two (2) year term of office.
- (C)** The Vice-president, Treasurer and the Chairperson of the By-law Committee will be elected to a (1) year term of office.
- (D)** The out-going President shall serve as the seventh board member as long as they have not accepted nomination for a consecutive term nor any other officer position.

Article VIII: Sub Committees

Section 1) Audit Committee

- A)** An Audit committee consisting of three (3) committee members shall be elected by the committee membership during the month of October during the general membership meeting to conduct an audit of the Financial Records of the Treasurer for the Association.
- B)** The Audit Committee will select a chairperson.
- C)** The Audit Committee will report its findings to the Executive Board and will then report its findings at the next general membership meeting.
- D)** If the membership accepts the Audit Committees report the Audit Committee will then be terminated.

- E) If the membership rejects the Audit committee report, then the committee will remain intact until any and all discrepancies are resolved before they are dissolved.

Section 2) Fund Raising Committee

- A) A Fundraising Committee shall be formed consisting of four to seven committee members. This committee is voluntary and shall be appointed by the President.
- B) The duties of the Fund Raising Committee shall be to create alternative methods of fund raising for each of the four- (4) association funds. They shall assist the Treasurer in the collection of funds and collection of tickets and handling of receipts during fund raising activities.
- C) The President shall select a chairperson and the chairperson shall be responsible for overall fund management and growth, giving a detailed projected expenditure report to the Executive Board prior to any and all events. This shall include copies of any potential contracts.
- D) Within two (2) weeks after the event the chairperson shall be required to give a detailed report to the Treasurer. This report must be submitted to the Executive Board at the next scheduled Board meeting or general membership meeting.

Section 3) Benevolence Committee

- A) The Benevolence Committee shall consist of 1 to 3 persons and they shall elect a chairperson.
- B) The Benevolent Chairperson shall be required to notify all chapter members of any illness or death of an alumnus or any committee member's immediate family. An appropriate card, flowers or wreath shall be sent on behalf of the Association.

Section 4) Communication Committee

- A) The Communication Committee shall consist of 3 to 5 persons and they shall elect a chairperson.
- B) The Communication Committee shall be responsible for establishing and up-keeping lines of communication between the Association and alumni members. They shall establish and maintain a PO Box, an Internet website address, and an alumni database in order to establish

and maintain contact with alumni both within and outside of the Association.

Section 5) By-Laws Committee

- A) The By-law Committee shall consist of 3 to 5 members appointed by the By-laws Chairperson.
- B) The duties of the By-law committee shall be to study the Association By-laws and to formulate new by-laws and/or write recommended changes or amendments to existing by-laws.
- C) The Committee shall meet once every two months. Special meeting may be called when required by the Executive Board, General membership or By-law Committee chairperson.
- D) The Executive Board may temporarily amend these by-laws by giving notice to the membership at the previous general membership meeting. The purpose of the proposed amendment must be stated and there must be a motion made and accepted to amend the by laws at the next regular meeting.
- E) Written notice shall be made available to the membership at the meeting for review prior to voting on the temporary amendment.
- F) A vote of two-thirds of the members voting shall be necessary to pass an amendment and a majority (50% +1) of those voting to adopt a new By-law.
- G) Robert's Rules of Order shall be the guidelines for any parliamentary rules not especially provided for within these By-laws.

Article IX: Allocation of Association Funds

Section 1) Purpose of Association Funds

The Mumford High School Alumni Association shall establish Five (5) Funds for the facilitation of business for the Association and its goals of providing extensive support to Mumford High School and its students. Fund allocation and distribution shall be monitored by a Fund Manager, reviewed by the Executive Board and voted on by the committee membership. The five- (5) funds are:

- A) General Fund
- B) Burgundy and Blue Scholarship Fund
- C) Building Fund
- D) Creative Arts Fund

E) Athletic Fund

Section 2) General Fund

- A) The General Fund shall be the primary resource for management of the Association and the facilitation of Association business.
- B) All Association Fees, Committee Dues, State, Federal and Corporate Grant and any and all donations not specifically earmarked to a specific Fund shall be allocated to the General Fund.
- C) 20% of all donations made to any Fund within the Association shall be allocated to the General Fund.
- D) The General Fund shall allocate 5% of its monthly total to establish a Benevolence Fund not to exceed five hundred dollars (\$500.00) in total for its operation.
- E) The Building Fund, the Creative Arts Fund, the Athletic Fund and the Burgundy and Blue Scholarship Fund shall become independently managed funds once contributions and or donations exceed one thousand dollars (\$1000.00). Until such time, these funds will be managed within the General Fund.
- F) All Disbursements, payroll, stipends, refunds, payments of fines accrued by the Association shall be handled through the General Fund and at the discretion of the Executive Board.

Section 3) Burgundy and Blue Scholarship Fund

- A) A minimum of five hundred to one thousand dollars shall be maintained within this fund after each scholarship year, to insure award money is available for the next scholarship year.
- B) This scholarship will be awarded to the most academically improved senior students that has applied and been accepted into an accredited University, Community College or Trade School.

Section 4) Building Fund

- A) The Mumford High School Alumni Association shall establish a Building Fund to help with long sought after and needed improvements to the school structure and overall décor.
- B) All donations, contributions and grants within the Building Fund cannot be allocated for use in any way outside of the Building fund

unless a $\frac{3}{4}$ majority vote of all members present is passed during a general membership meeting.

Section 5) Creative Arts Fund

- A) The Creative Arts Fund shall be established to promote and encourage continued interest in the fields of Art, Music, Drama and Literature/Poetry. This fund may be utilized in a variety of ways but all are geared towards the fine arts.
- B) Scholarship awards, Advance technological equipment, Stage lights, Musical interments etc. are some of the areas this funds assets may be allocated.

Section 6) Athletic Fund

- A) The Athletic Fund shall be established to support and encourage continued interest in the areas of Athletics. It may be utilized to support and encourage continued interest in the area of Athletics.
- B) Scholarship awards, Advance technological equipment, sports equipment etc., are some of the areas these funds assets may be allocated.

Section 7) Dissolution of Association Funds

In the event the Mumford High School Alumni Association Funds are no longer a necessary or viable entity, it may be required by the committee body to cease operation of and dissolve the funds created for the School or the Association in general. If this should occur all funds should be dissolved in the following manner:

- A) If Mumford High School should close and a New Mumford High School is opened or built. The Mumford Alumni Association should continue to function in its current state with the new facility, if possible.
- B) If Mumford High School should close and a new school is not opened or built. The Mumford Alumni Association should fulfill its scholarship commitments to the last graduating class and then dissolve all funds except the General and Benevolence Fund.
- C) All monies remaining in any dissolved funds at the time of dissolution shall be allocated to the General Fund.
- D) The General Fund shall continue to function as stated in *Section 2 (A-D, F)* of this Article for future functions of the Mumford High School

Alumni Association and new non-profit charities within the City of Detroit shall be researched and supported.

- E) If for some reason the Mumford High School Alumni Association itself is forced to dissolve and Mumford High School is still in operation, then all monies within the Association's Funds are to be donated to Mumford High School and executed prior to the last official meeting and closing of Association business.
- F) If for some reason the Mumford High School Alumni Association itself is forced to dissolve and Mumford High School is no longer in operation all monies within the Association's Funds are to be donated to a non-profit charity within the City of Detroit, chosen by the Committee Body, and executed prior to the last official meeting and closing of Association business.

Article X: Appointments and Membership Responsibilities

Section 1) Appointments

- A) The President has the authority to appoint any General member, Committee member, Senior Student Council, Teacher or Administrator directly involved with Mumford High School, to any committee within the association.
- B) Appointees are generally temporary positions that end once the duty of the appointed task has been accomplished.
- C) It is permissible to allow an appointment to extend until the end of the current presidential term expires. At which time, the appointed position shall also expire.

Section 2) Membership Duties

- A) It shall be the duty of every member, upon joining the Mumford High School Alumni Association, to read and understand the Constitution and by-laws of this organization. Everything that this organization can do is covered in these by-laws. Any deviation from the rules by any officer or member is wrong and should not be allowed. If you, as a member, know your by-laws, you can and should stop it.
- B) Anytime a member is in doubt, they may, upon securing the floor, ask for a clarification on any issue they do not understand.
- C) Any portion of the by-laws not clear to a member must be explained to them thoroughly.

Article XI: Conflict of Interest Policy

Section 1) Purpose

The purpose of this policy is to protect the Mumford High School Alumni Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or executive board member or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal law governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2) Definitions

- A) Interested Person:** Any director, 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:
- 1) An ownership or investment interest in any entity with which the Association has a transaction or arrangement,
 - 2) A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
 - 3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association in negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3 (B), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3) Procedures

A) Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the President and members of the committees with governing board delegated powers considering the proposed transaction or arrangement.

B) Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/ she shall leave the executive board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

C) Procedures for Addressing a Conflict of Interest:

- 1) An interested person may make a presentation at the executive board or committee meeting, but after the presentation he/she shall leave the room the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- 2) The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- 3) After exercising due diligence, the executive board or committee shall determine whether or not the Association 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.
- 4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the executive board or committee body shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Associations best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

D) Violations of the Conflicts of Interest Policy

- 1) If the executive board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interests, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- 2) If, after hearing the members' response and after making further investigations as warranted by the circumstances, the executive board or committee determines the member has failed to disclose an actual or possible conflict of interest, then it shall take appropriate disciplinary and corrective action.

Section 4) Compensation

- A) A voting member of the executive board who receives compensation directly or indirectly, from the Association for services is precluded from voting on matter pertaining to the member's compensation.
- B) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- C) No voting member of the executive board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 5) Annual Statements

Each director, principle 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 conflict of interest policy,
- B) Has read and understands the policy,
- C) Has agreed to comply with the policy, and
- D) Understands the Association is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 6) Periodic Reviews

To ensure the Association 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 by an *Audit Committee*. The periodic review 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 Association'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.