

HISPANIC/LATINO ALUMNI COUNCIL (HLAC) BY-LAWS

PRINCIPAL OFFICES

The principal office of this corporation in the State of New Jersey will be located at 605-A Arnett Street, Elizabeth, Union.

ARTICLE I

SECTION 1: NAME

The name of the organization shall be called the **Hispanic/Latino Alumni Council**, hereafter referred to as “HLAC,” “Council” or “organization.”) HLAC is a nonprofit organization governed by an elected Board of Directors. (See Article III)

SECTION 2: MISSION

To promote the professional advancement and scholastic pursuits of Hispanic/Latino alumni and Hispanic/Latino undergraduate students from Kean University.

SECTION 3: PURPOSE

- A. To develop and provide networks and links that would enhance the professional growth of Hispanic/Latino (hereinafter “Latino.” See Appendix A) alumni;
- B. To provide support and resources leading to graduate degrees, (masters and/or doctoral programs);
- C. To develop programs that enhances alumni and undergraduate students’ personal growth and professional leadership skills;
- D. To provide mentoring services to Latino undergraduate students toward successful completion of their undergraduate degrees and continued education at a graduate level and/or in building their professional careers; and
- E. To strengthen HLAC by keeping it relevant to the needs of its constituents.

ARTICLE II

SECTION 1: MEMBERSHIP

A. Membership is open to all Latino alumni graduates from an institution of higher education. Alumni are nonvoting members unless they are members of the Board of Directors.

B. Donor members: Attributed to individuals who make a monetary contribution to HLAC. (See categories in Policies and Procedures Manual) Donor members are nonvoting members.

C. Property Rights: No member will have any right, title, or interest in any of the property or assets, including any earnings or investment income of this corporation, nor will any of such property or assets be distributed to any member on its dissolution or winding up.

D. Liability of Members: No member of this corporation will be personally liable for any debts, liabilities, or obligations nor will any member be subject to any assessment.

ARTICLE III

SECTION 1: BOARD OF DIRECTORS

A. The business of HLAC shall be managed by an elected Board of Directors. They shall serve without pay.

B. The Board of Directors shall consist of a minimum of eight (9) elected members: four (4) from the Executive Committee, (i.e. President, Vice-President, Secretary and Treasurer), and four (5) Chairpersons from the standing committees, (i.e. Financial Planning and Development Committee Program Planning and Development Committee, Membership Development Committee, Public Relations Committee, and Scholarship Committee).

1) One (1) Latino undergraduate student from Kean University, (preferably a current Mentee), will be selected by the Mentoring Program Coordinator, and approved by the Executive Committee, to serve a maximum of two (2) years as a nonvoting member of the board.

C. The eligibility criteria to be a board member is to be a Latino alumnus of an institution of higher education, (community college and/or four-year college/university), and be a committee member in good standing for a minimum of one (1) year prior to nomination

D. Seventy-five percent (75%) of the Board of Directors shall be alumni from Kean University.

E. Past HLAC Board Directors/Presidents who have vacated position in good standing may serve on the board as ex-officio members, upon recommendation of the Nominating Committee and approval of the Board of Directors.

SECTION 2: BOARD RESPONSIBILITIES

The Board of Directors shall be responsible for the governance of HLAC. The duties of the Board of Directors shall include, but not be limited to:

A. Meet at least ten (10) times a year.

B. Implement board policies according to the Policies and Procedures Manual drafted by the Executive Committee and maintained separate from the By-laws.

C. Elect Board of Directors and Officers at its end of year meeting in June, but no later than August 31.

D. Render an annual report of its respective committees past year's activities, as well as the planning initiatives for the new program and/or fiscal year.

E. Ensure overall financial stability and sustainability.

F. Oversee the Council's operational and financial affairs by appointing a Fiscal Officer to review the organization's ledger a minimum of twice a year.

G. Comply with the state fiduciary regulations for nonprofit organizations, and IRS requirements in preparation for and leading to the Council's intent to file for a tax-exempt status.

H. Approve by a majority vote actions to be taken by Committee Chairs as deemed necessary.

I. Adopt and amend the By-laws.

J. Have the capacity to subordinate his/her group identification and individual interest in order to further the Council's Mission and Purpose.

K. No Board Officer, or Chairperson of a standing committee, shall hold more than one position simultaneously. Exception shall be made in cases of a vacancy until such position is filled by the Executive Committee. (See Article III, 3, F)

L. Conflict of Interest: Any member of the board who has a financial, personal, or official interest in, or conflict (or appearance of a conflict) with any matter before the Board, of such nature that it prevents or may prevent that member from acting on the matter in an impartial manner, has a duty to disclose this conflict to the rest of the Board. The policy for Conflict of Interest Policy is contained in Appendix C

M. Agree to sign and abide by the HLAC Board Member Commitment Form.

SECTION 3: BOARD OFFICERS – EXECUTIVE COMMITTEE

A. The Officers of the Board shall be: President, Vice-President, Secretary and Treasurer. The term of each office shall be: two (2) years with a maximum of reelection for one (1) additional term. After having served for two (2) consecutive terms, an officer in good standing may be elected as an officer in another position after having served for one (1) year as a member of a standing committee.

B. To be eligible as a new candidate for an officer's position, the alumnus must have served a minimum of two (2) years on the Board of Directors.

C. The four (4) Officers of the Board shall constitute the Executive Committee. The Executive Committee shall have the duty and the responsibility for setting the policy and conducting the affairs of the Council in keeping with the By-laws and the Policies and Procedures Manual.

D. The Executive Committee shall draft and maintain updated the HLAC Policies and Procedures Manual as approved by the Board. The Manual shall contain specific procedures to guide the work of the Board in implementing HLAC's By-laws, and other matters in keeping with the Mission and Purpose of the Council.

E. The President shall set Executive Committee meetings or contact the Officers via email as deemed necessary at least five (5) days before each Board meeting regarding the agenda or other pending urgent business needing attention and decision making by the Board.

F. The Executive Committee shall fill vacancies for the unexpired terms of officers and chairpersons at any regular or special called meeting held for that purpose.

G. The Executive Committee shall be empowered, between the meetings of the Board, to act in the management of the affairs of the Council as the governing body of the Council. Such action shall be subject to ratification by the Board of Directors.

H. The Executive Committee shall draft any changes to the By-laws for approval by the Board. Other board members may request changes to the By-laws in writing addressed to the Executive Committee at least thirty (30) days prior to a Board meeting.

I. The Executive Committee shall appoint a Nominating Committee Chairperson who will be responsible for processing applications for elections to the Board. (See Section 4 below)

J. The Executive Committee shall keep a record of its actions and proceedings and shall report thereon to the Board.

SECTION 4: PROCEDURES FOR ELECTING THE BOARD AND OFFICERS

A. The Executive Committee shall establish a Nominating Committee by February of every year.

1) The Nominating Committee will consist of four (4) Board members. No more than two (2) members of the Executive Committee can serve on the Nominating Committee. A third (3rd) member of the Nominating Committee shall be the Chair of the Membership Committee. The fourth (4th) member shall be any other standing committee chairperson. The Board President may serve on the Nominating Committee as an ex-officio member. (See Article IV: 1, f)

B. The Nominating Committee shall receive and review all applications for new prospective board members. The deadline to submit applications to become a Board Member or Officer shall be set by the Nominating Committee but no later than April. No board member shall submit nominations from the floor on the day of elections.

C. The Nominating Committee shall present a slate of Board Members and Officers to the Board of Directors for their vote of approval (see F below). The slate shall include current Board Members and Officers in good standing to serve in alternate years such that no more than half of the Board serves for the same term. (See Policies and Procedures Manual)

D. Eligibility to be a Board member includes being an “active member” for a minimum of 2 years, and/or having been a member of an ad hoc or standing committee for a minimum of one (1) year. (See Article II, B and the Policies and Procedures Manual)

E. Officers must have served as a Board member for a minimum of 2 years.

F. The Board of Directors shall vote on the approval of the slate at the end-of-year meeting in June or as set by the Board of Directors no later than end of August.

SECTION 5: RESIGNATION AND TERMINATION

A. Any Board Member may resign by written notification to the President with copy to the Secretary of the Board of Directors. Written notification shall allow for fifteen (15) days prior to taking effect, and all materials and records pertinent to the organization shall be handed to the Secretary of the Board prior to resignation. A board member that has resigned while in good standing may apply to become a board member following the same eligibility criteria as that of a new board member. (See Article III, Section 4, D)

B. Failure of a Board Member to attend three (3) consecutive regular meetings and/or eighty percent (80%) of all Board meetings during any fiscal year shall result in the automatic termination of said member. Exception may be made due to medical or extraneous circumstances documented as such and presented to the Executive Committee for approval.

C. The Executive Committee may expel or suspend a Board Member for a period of time if the Board Member is convicted of a crime as constituted under the laws of this State, or if such member has failed to abide by his/her signed HLAC Board Commitment Form or adhere to the professional rules of Ethics as follows:

1) Afford their colleagues moral assistance and collegiality; refrain from any utterance or action prejudicial to the interests of the Council and its participants.

2) Any complaint arising out of the conduct of any member or any disagreement regarding any decision taken by the Council may be referred to an ad hoc disciplinary and disputes committee, established by the Executive Committee, for arbitration and resolution in the best interest of HLAC.

SECTION 6: BOARD MEETINGS

A. The Board shall meet at least ten (10) times a year.

B. Quorum shall be constituted by fifty (50) percent plus one (majority) of the duly elected members of the Board of Directors. In absence of a quorum, no formal action shall take place until the next board meeting or earlier as called by the Executive Committee.(See G below)

C. Each Board Member shall have one (1) vote. Any action of the Board requires majority vote after establishing quorum. (See Roberts Rules of Order)

D. Passage of a motion requires a simple majority vote.

E. No Board Member shall vote by proxy.

F. Elections of Board and Officers will be held at the end of year meeting in June

G. Special meetings may be held when called for by the President or a majority of board members provided a written notice is sent by the President no less than five (5) days before the meeting with the special item to be discussed, followed by a phone call.

ARTICLE IV: DUTIES OF OFFICERS AND COMMITTEE CHAIRPERSONS

SECTION 1: PRESIDENT

The President presides over all meetings of the Council, and appoints ad hoc committees as deemed necessary for the proper functioning of the organization:

Duties:

- a. Provides leadership to the Board of Directors, encouraging the Board's role in planning, and financial accountability;
- b. Presides over Board and Executive Committee meetings to develop the agenda;
- c. Initiates the setting of goals and expectations for the Board through annual short and long term strategic planning sessions;
- d. Helps guide and mediate Board actions with respect to organization priorities and governance concerns;
- e. In consultation with the Executive Committee, establishes ad-hoc committees and appoints Chairperson to these committees as deemed necessary to facilitate and expedite the operations of the Council;
- f. Serves as ex officio on committees and attends their meetings when possible;
- g. Conducts regular assessment of the full Board, and individual board members;
- h. In consultation with the Executive Committee, represents or assigns a board member to represent the Council in activities related to the promotion of its Mission and Purpose; and
- i. Prepares an end-of-year annual written report to the Board.

SECTION 2: VICE-PRESIDENT

The Vice-President assists in conducting the affairs of the Council. The Vice-President is an aide and alternate to the President. The Vice-President shall assume all the duties and responsibilities of the President when the President is absent from a meeting.

Duties:

- a. Attends all board meetings;
- b. Serves on the Executive Committee;
- c. Carries out special assignments, as requested by the President;
- d. Understands the responsibilities of the President and is able to perform these duties in the President's absence or inability to act; and
- e. Assists the President in the preparation of the end-of-year annual written report to the Board.

SECTION 3: SECRETARY

The Secretary will assist the Council by maintaining all written communication and records of the organization. The Secretary will work closely with the President in the planning of the Board of Directors and other related meetings.

Duties:

- f. Keeps record of board attendance, and the minutes of the meeting of the Board of Directors and of the Executive Committee;
- b. Distributes via email draft copies of minutes to board members within a week. Following board meetings and distributes hard copies of same at board meetings for their approval;
- c. Is the custodian of the Council's records, (e.g. By-laws, annual reports);
- d. Prepares and submits written materials (e.g. reports, memos, letter, etc.) for the purpose of documenting activities, providing written reference and/or conveying information;
- g. In conjunction with the Membership Chairperson, assists in maintaining membership records;
- h. Makes sure board members are notified of meetings at least 2 weeks prior and on day before board meetings;
- g. Works with President to respond to all contacts and inquiries addressed to HLAC via written correspondence or social media; and,
- g. Performs other duties as the need arises and/or as defined in the By-laws.

SECTION 4: TREASURER

The Treasurer reports to the Board the ongoing financial viability and stability of the Council while monitoring the Council's financial information. The Treasurer creates and oversees the governance the budget.

Duties:

- a. Manages finances of the organization;
- b. Acts as signing officer, with another officer for checks and other documents;
- c. Receives and banks all monies received by the organization;
- d. Disburses all monies as directed by the Executive Committee or Board;
- e. Administrates fiscal matters of the organization;
- f. Provides monthly budget reports and an end-of-year financial report to the board for their approval;
- g. Shall keep or cause to keep just and true cash, check, bank, and other necessary and proper books of account;
- h. Works in partnership with the President on the preparation of data and reports associated with the organization;
- i. Works with the President to create a Financial Planning and Development Committee to plan and develop fundraising activities as stipulated in the five-year strategic plans;
- j. Works with the Membership Chairperson to develop and maintain a data base of all past and prospective contributors; and,

- k. Works with the Public Relations Chairperson to promote its fundraising activities and events.

SECTION 5: FINANCIAL PLANNING AND DEVELOPMENT COMMITTEE **CHAIRPERSON**

The Financial Planning and Development Chairperson will provide financial oversight for the Council, and lead the Financial Planning and Development Committee build and preserve the financial resources necessary to support the accomplishment of Council's Mission.

Duties:

- a. Develops an annual operating budget;
- b. Develops multi-year operating budgets that integrate the organization's strategic financial objectives and initiatives;
- c. Presents all financial goals and proposals to the board of directors for approval;
- d. Ensures that policies and procedures for financial transactions are incorporated into the HLAC Policies and Procedures Manual, and annually updated;
- e. Ensures approved financial policies and procedures are being followed;
- f. Works in coordination with the executive committed to determine and update bank account signatories as well as oversees all legal and governmental filing deadlines are met in relation to the Council's finances;
- g. Responsible for all financial reporting requirements, including but not limited to IRS and State of New Jersey yearly filings.

SECTION 6: PROGRAM PLANNING AND DEVELOPMENT COMMITTEE **CHAIRPERSON**

The Program Planning and Development Chairperson will assist the Council in planning and managing programs to enhance the personal and professional growth among Latino alumni and undergraduate students:

- a. Develop a strategic plan to provide a program of services to alumni, such as workshops and seminars in networking, finance, academic and career planning and development;
- b. Supervises and monitors the work of the Mentoring Program Coordinator and its joint venture efforts with Latino mentees from Kean University;
- c. Works with the Membership Chairperson to develop programs that will be of interest and engage the participation of alumni and undergraduate students;
- d. Works with the Public Relations Chairperson to promote its programs;
- e. Updates and maintains records of planning and executed programs; and,
- f. Prepares and presents written monthly and end-of-year reports to the Board of Directors.

SECTION 7: MEMBERSHIP DEVELOPMENT COMMITTEE CHAIRPERSON

The Membership Development Chairperson will establish goals and assist the Council in increasing the participation of Latino alumni in the work of the organization. The Chair will also establish goals and oversee membership recruitment and retention strategies.

Duties:

- a. Develop and maintain a data base of active members and members at large;
- b. Works with Treasurer/Financial Planning and Development Committee to set a data base for current and potential contributors to HLAC;
- c. Develop a package for new members. (brochure and information form);
- d. Works with Program Planning and Development Chairperson to identify programs that would benefit and engage the alumni as “active members” of HLAC;
- e. Develop, manage and implement a communication strategy in conjunction with HLAC’s Webmaster for building networks among the members;
- f. Assists the Public Relations Chairperson in the preparation of marketing materials related to membership;
- g. Disseminates information such as calendar of events, etc. to its membership; and,
- i. Prepares and presents written monthly and end-of-year reports to the Board of Directors.

SECTION 8: PUBLIC RELATIONS COMMITTEE CHAIRPERSON

The Public Relations Chairperson will assist the organization in designing and developing marketable materials that will promote the image of the Council.

Duties:

- j. Drafts basic public relationship materials including newsletters, new releases, media alerts, and Fact sheets for Board approval prior to printing and disseminating information;
- b. Involved in photo shoots, photographs, and multimedia messages of the Council;
- c. Works with the Webmaster to maintain all updated information about HLAC on its website, facebook, etc;
- d. Involved in the promotion of events and activities of the Council;
- e. Works with Membership and Program Planning and Development Chairs in designing informational packets for new board members, mentors and mentees; and,
- k. Prepares and presents written monthly and end-of-year reports to the Board of Directors.

SECTION 9: SCHOLARSHIP COMMITTEE CHAIRPERSON

The Scholarship Committee Chairperson will organize and implement an annual fundraiser(s) for scholarships in keeping with the Council’s Mission, and with the approval of the Executive Committee.

Duties:

- a. Develop a plan/grid outlining specific tasks, people responsible for implementing tasks, and timelines to monitor progress;
- b. Work in conjunction with the Financial Planning and Development Committee to prepare a budget for approval by the Executive Committee;
- c. Select a venue for the annual event for approval by the Executive Committee;
- d. Work with the Public Relations Committee to update the website to promote the event;
- e. Work with the Scholarships Ad Hoc Committee to secure updated information for the application and selection of scholarship awardees;
- f. Design “save the date” and formal invitations;
- g. Work with the Membership Committee to distribute invitations and monitor responses/data on attendance;
- h. Work with Executive Committee to design and create the program for the event, including selection of honorees;
- i. Work with the Financial Planning and Development Committee to plan for raffles, and secure ads to be included in the event program;
- j. Draft and maintain updated a manual/guidelines on the work of the committee;
- k. Prepare and present written monthly and end-of-year reports to the Board of Directors.

ARTICLE V: FISCAL POLICIES

The fiscal year of Hispanic/Latino Alumni Council is from July 1 to June 30.

ARTICLE VI: RULES OF ORDER

Robert’s Rule of Order Revised shall constitute the parliamentary authority in all cases wherein they do not conflict with the By-laws of this Council or with any statutes of the State.

ARTICLE VII: DISSOLUTION

On dissolution, all assets of this council remaining after paying or providing for all debts and obligations shall be distributed and paid over by the Executive Committee to a nonprofit organization or foundation who has as their mission and purpose the furtherance of enhancing the professional and scholastic pursuits of Latino alumni and undergraduate students in institutions of higher education.

ARTICLE VIII: AMENDMENTS TO BY-LAWS

The By-laws may be amended, replaced, or altered, in whole or part, by two-thirds (2/3) vote of the members of the Board of Directors present at any regular or special meeting of the Board, provided proposed changes have been either initiated by the Executive Committee or presented in written form to the Executive Committee at least thirty (30) days before a regular or special called meeting of the Board.

APPENDIX A

DEFINITIONS

1. LATINO, shall include mean any Hispanic and Latino person, including the masculine and feminine article, singular and plural .
2. 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. If a person is an interested person with respect to any entity in the health care system of which the organization is a part, he or she is an interested person with respect to all entities in the health care system.]
3. 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.

APPENDIX B

HLAC BOARD MEMBER COMMITMENT AGREEMENT FORM

I will to the best of my ability:

- Attend at least eighty percent (80%) of all Board meetings. Respond by email regarding attendance to all meetings within twenty-four hours of announcement of such meetings.
- Review the agenda and supporting materials prior to Board and committee meetings. Respond by email to correspondence or email within twenty-four hours acknowledging receipt of same. Provide feedback as requested on matters pertaining to board matters within week or as specify.
- Serve on committees and take on special assignments as needed.
- Personally contribute to HLAC.
- Assist in raising funds, as stipulated in 5-year Strategic Plan and agreed upon annually by the Board.
- Remain informed about the HLAC services, and policies and promote HLAC.
- Suggest nominees to the HLAC Nominating Committee

I will act in concert with the following principles:

As a board member I understand that I have duties of care, loyalty, obedience and disclosure to the organization.

- The duty of care is the duty to pay attention to the organization—to monitor its activities, see that its mission is being accomplished, and guard its financial resources.
- The duty of loyalty is the duty to avoid conflicts of interest, and
- The duty of obedience is to carry out the purposes of the organization and to comply with the law.
- The duty of disclosure is that 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. (See Appendix C)

I commit that I will uphold these duties and that I shall do my utmost to ensure that HLAC performs its mission and achieves its goals. As a board member I agree to:

- Act with honesty and integrity
- Support in a positive manner all actions taken by the board of directors even when I am in a minority position on such actions. I recognize that decisions of the board can be made only by a majority vote at a board meeting and respect the majority decisions of the board, while retaining the right to seek changes through ethical and constructive channels;
- Participate in (1) the annual strategic planning retreat, (2) board self-evaluation programs, and (3) board development workshops, seminars, and other educational events that enhance my skills as a board member.
- Keep confidential information confidential.
- Exercise my authority as a board member only when acting in a meeting with the full board or as I am delegated by the board.
- Work with and respect the opinions of my peers who serve this board, and leave my personal prejudices out of all board discussions.
- Always act for the good of the organization and represent the interests of all people served by the organization.
- Represent this organization in a positive and supportive manner at all times
- Observe the parliamentary procedures and display courteous conduct in all board and committee meetings.
- Refrain from intruding on issues that are the responsibility of an assigned committee or ad hoc committee.
- As stipulated above and contained in Appendix C, avoid acting in a way that represents a conflict of interest between my position as a board member and my personal or professional life, even if those actions appear to provide a benefit for the organization. This includes using my position for the advantage of my friends and business associates. If such a conflict does arise, I will declare that conflict before the board and refrain from voting on matters in which I have conflict.
- Abide by the board's By-Laws and Policy and Procedures Manual.

Signature

Date

APPENDIX C

HLAC CONFLICT OF INTEREST POLICY

PURPOSE

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) 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 to nonprofit and charitable organizations.

PROCEDURE

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

- 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

- a. 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.
- b. 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

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

- 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.

[Hospital Insert - for hospitals that complete Schedule C

- d. Physicians who receive compensation from the Organization, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.]

Article VI

Annual Statements

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. 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.