

BY-LAWS

of

KARDECIAN SPIRITIST FEDERATION OF FLORIDA, INC.

KARDECIAN SPIRITIST FEDERATION OF FLORIDA, INC.

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BYLAWS

KARDECIAN SPIRITIST FEDERATION OF FLORIDA, INC.

CHAPTER I

Name, Constitution and Jurisdiction

Article 1 – The non-profit organization being regulated by these By-laws is Kardecian Spiritist Federation of Florida, Inc. (KSFF).

Article 2 – KSFF is a legal entity, not motivated by profit and formed by Spiritist Organizations located in the State of Florida. KSFF was founded with the purpose of representing the Spiritist movement in the State of Florida and in the whole world.

Article 3 – KSFF's main office is located in the city of Miami, County of Miami-Dade, but KSFF can operate in different sites or change its domicile by deliberation of its Board of Directors.

The Corporation will maintain continuously in the State of Florida, a registered office and a registered agent, whose office will be identical to the one of the registered office. This last one can be identical – although it necessarily does not need to be – to the main office in the State of Florida, and the address of both, the registered office and the main office, can be changed from time to time, by the Board of Directors.

Article 4 – KSFF has been founded for perpetual duration but can be dissolved or transformed by unanimous resolution of its General Assembly.

CHAPTER II

Purposes

Article 5 – The purposes of KSFF are as follows:

a) To accept the Foundations of Spiritism based on:

1st: The existence of God, supreme intelligence and primary cause of all things.

2nd: The existence of the soul, joined to the physical body during the terrestrial life by an intermediary element called perispirit or fluidic body.

3rd: The immortality of the soul and its continued evolution to perfection through reincarnations.

4th: The possibility of communication through mediumship, between the visible and the invisible worlds, or the incarnate and discarnate beings.

5th: The individual and collective responsibility amongst all human beings, according to the law of cause and effect.

b) To study without exception all Scientific, Philosophic and Ethical aspects of Spiritism, its causes, effects and the Moral Laws described in Allan Kardec's "The Spirits' Book".

c) To divulge amply the historic, scientific, philosophical and moral principles of the Spiritist Doctrine, codified by Allan Kardec through Seminars, Symposiums, and Congresses and by all other available means of communication and media.

d) To offer to its member organizations orientation and administrative support on Spiritist Doctrine postulates.

e) To foster the interface with other similar national and international institutions, seeking the exchange of valuable information.

f) To stand by the postulates of universal fraternity contained in the Spiritist teachings while promoting programs envisioning the spiritual and material development of communities.

CHAPTER III **Core Values**

Article 6 – KSFF accepts and respects the National and State Constitutions and other Laws of the United States of America. In addition:

a) It respects all religions, philosophies, creeds, and abides by the Universal Declaration of Human Rights.

b) It does not have political preferences nor does it discriminate on the basis of race, color, gender, handicap, familial status, sexual orientation, nationality, religion or any other factor protected by federal, state or local law, always respecting all ideologies.

Article 7 – Acknowledging the Divine Laws that rule the Universe, KSFF does not assume or approve religious practices involving rituals, dogmas, miracles, superstitions, taboos, occult powers, spells, etc., being its cultural values the Scientific, Philosophical and Moral teachings of the Spiritist Doctrine.

Article 8 – KSFF emphatically rejects the charging and/or collection, in any form, in return for any type of services offered to individuals and the community as a whole.

Article 9 – KSFF rejects the worship of images and personalities that have excelled in science, philosophy, art, ethics or religion.

CHAPTER IV **Membership**

Article 10 – Any Spiritist Organization located in Florida can become a member of KSFF if said Spiritist Organization:

a) Studies, practices, and divulges the Scientific, Philosophical and Moral aspects of Spiritism, as codified by Allan Kardec, in a serious and methodical manner.

b) Has at least 10 (ten) participant members and conducts weekly activities in a public location, allowing the participation of any interested individuals.

Article 11 – The process for requesting membership is:

a) The Spiritist Organization interested in becoming a member will need to provide the following documents to KSFF’s Board of Directors:

- A letter requesting such membership;
- State of Florida Department of Corporation’s proof of active status of non-profit corporation;
- Names of members of the board of directors listed with the State of Florida Department of Corporations;
- Copy of By-laws;
- Summary of meetings and activities; and
- Proof of United States residency or citizenship for two of the organization’s delegates who will be representing them before KSFF and for their respective supplants.

Note: Requests for affiliation should be addressed to KSFF’s Board of Directors and submitted to its mailing address. The Board of Directors will study each request and approval should bear an affirmative vote by two-thirds of the Board of Directors. The Internal By-laws of KSFF will also be observed when approving or disapproving membership requests.

Article 12 – The KSFF has three (3) categories of membership:

a) Affiliated – Spiritist Organizations approved by KSFF’s Board of Directors, pursuant to Article 10 above.

b) Adherent – Spiritist Organizations that follow the Scientific, Philosophical and Moral aspects of Spiritism, as codified by Allan Kardec, that, at the time of its adherence to KSFF, do not completely fulfill the requisites to be considered affiliated members.

c) Honorary – Founder Spiritist Organizations of KSFF which still abide by the articles or statutes of these By-laws and any other person or institution related to the Federation or to the Spiritist Movement who will be nominated and approved by the Board of Directors and by the General Assembly

Article 13 – The Board of Directors, by the affirmative vote of two-thirds of its members, can approve a petition for membership termination by a just cause that will be presented to the General Assembly for final approval or disapproval as it is better described under Article 23 (d).

Article 14 – Any member organization can resign as such, giving its resignation in writing to the Secretary.

Article 15 - The condition of Member of KSFF is neither transferable nor assignable.

CHAPTER V
General Assembly and Board of Directors

Article 16 – KSFF has the following directive components:

- a) The General Assembly; and
- b) The Board of Directors

Article 17 – The affiliated members comprise the General Assembly. Each affiliated member (spiritist organization) has the right to participate with a maximum of five (5) of its members. Each affiliated organization’s vote will be counted as one (1). Honorary and adherent members will also be invited to the General Assembly meetings but will have no voting rights.

Article 18 – The General Assembly will take place twice every year during the months of June and November. Extraordinary General Assembly meetings may be held when necessary.

Article 19 – The Board of Directors will call for extraordinary General Assembly meetings when necessary.

Article 20 – A quorum of two-thirds of the affiliated members is necessary in order for the General Assembly to take place.

Article 21 – The determinations of the General Assembly will be based on the majority (half plus one) of votes system.

Article 22 – From time to time a member of the General Assembly and/or of the Board of Directors may invite visitor(s) to the meetings of these directive components. Said member must communicate the identity of the invitee(s) and his/her reason for said invitation to the applicable directive component. Approval of the invitation by the majority (half plus one) of the applicable directive component must be obtained prior to the attendance by the invitee(s).

Article 23 – The **functions of the General Assembly** are as follows:

- a) To approve or disapprove reports from the Board of Directors.
- b) To deliberate on special fee assessments requested by the Board of Directors.
- c) To approve or disapprove the annual financial and accounting reports presented by the Board of Directors.
- d) To propose to the Board of Directors a request for membership termination of organizations that are operating against any of the articles of these By-laws including, but not limited to, any conduct or misconduct directly or indirectly opposed to the purposes and core values of KSFF and the Spiritist Doctrine, and for noncompliance with KSFF’s membership dues.

To vote on the termination of a membership organization, after a detailed examination of the organization’s conduct and compliance with the By-Laws takes place by the Board, and the Board issues a petition back to the Assembly requesting the termination of the non-compliant organization. In case of termination, new requests for membership of the same terminated organization will be examined under much more strict criteria.

- e) To deliberate on changes to these By-laws.
- f) Any other functions that are indicated by current By-laws.

Article 24 – KSFF’s General Assembly voting will be conducted by secret ballot system, having the number of votes match the number of member organizations present and accredited.

Board of Directors

Article 25 – The officers or directors of KSFF’s Board of Directors include a President, a Vice President, a Secretary, a Vice Secretary, a Treasurer, a Vice Treasurer, an Auditor, a Director of Events and a Director of Communications. All positions of the Board of Directors will be exercised voluntarily and will not be compensated monetarily or by any other material means.

Article 26 – The Board of Directors will be elected from the available pool of delegates who represent the affiliated Spiritist Centers. The election for the positions of the Board of Directors will be done by the delegates who are present or represented by a proxy at the election site. In case of a tie for any position, there will be a second election. If after the second election the tie remains, the position will be given to the delegate who represents the affiliated institution for the longest time.

- a) These delegates must be in good standing with national immigration laws and be either a legal resident or a citizen of The United States of America.
- b) No more than two (2) members per affiliated organization can be elected officers of the Board of Directors of KSFF.
- c) Whenever the roster of affiliated member organizations reaches fifteen (15) or greater, only one delegate per affiliated member organization will be allowed to be elected as officer of the Board of Directors.

Article 27 – The Board of Directors’ deliberations will only become valid once two-thirds of the members who are present at the meeting vote favorably for the motion.

Article 28 – The election term for positions of the Board of Directors is two (2) years. Each individual officer member of the board can be re-elected once for another consecutive term. No individual member can remain in the same position in the Board of Directors for more than two (2) consecutive terms. Members who have served four (4) years or two (2) terms in the same position in KSFF’s Board of Directors, will need to either run as a candidate for a different position, or wait for a period of two (2) years to run again for the same position. The members of the Board of Directors can be substituted or removed before the end of their term by the following reasons:

- a) Three consecutive absences to the monthly Board of Directors meetings without previous notice by phone or email.
- b) Due to unacceptable moral conduct against these By-Laws or the principles of the Spiritist Doctrine as considered by the Board of Directors and unanimously approved by the same.

Article 29 – Elections to the Board of Directors will be held in the month of November. The new two (2) year term will start in the month of January following the election date.

Article 30 – In case of resignation, substitution, or absence of an officer of the Board of Directors, the second in command will take over the duties of the resigning or absent officer. If the resigning or absent officer holds a position that has no second in command or if the first and second in command, officers in a position are both absent, the General Assembly will elect a new officer or officers for the newly vacant positions.

- a) The Board of Directors will remain in place for another thirty days (30) in the case of non-election during the month of November. The new board of directors will be elected within 30 days.

Article 31 – The **functions of the Board of Directors** are as follows:

- a) To invoke the General Assembly for ordinary and extraordinary sessions with a fifteen (15) day notice.

- b) To study, approve or disapprove KSFF's applications for membership.

- c) To abide by KSFF's By-laws while writing and updating, amending or restructuring the Internal By-laws as needed. The Internal By-laws will contain more specific directives not contained in these By-laws.

- d) To assist non-member and member organizations to write or amend their own regulatory documents.

- e) To carry out and/or supervise projects which the Board of Directors or the General Assembly has approved. Different Committees or Commissions may be established by the Board of Directors to enable these tasks to be executed. The Committees or Commissions will be formed by a Director, an Assistant, and one or more aids. The Director of each Commission will be free to select the persons he/she will need for the performance of the Commission's functions. The Board of Directors will indicate to each Committee or Commission its duties, manner to execute them, and its responsibilities.

- f) To approve a petition for membership termination by a just cause that will be presented to the General Assembly for final approval or disapproval by the following reasons:

- i. The non-fulfillment of statutes or internal bylaws;
- ii. Inappropriate moral conduct against the principles of the Spiritist Doctrine; and
- iii. Divulgence of ideas contrary to the Spiritist Doctrine as codified by Allan Kardec.

- g) To remind KSFF's members about the necessity of divulging the Spiritist message in its clear and true foundations through written, verbal or any other means of communication. To make a significant effort to carry out this divulgence in as many languages as found appropriate to the needs of a specific marketing campaign.

- h) Meet monthly in a domicile. The place and time of the meeting will be determined by unanimous agreement of the members of the Board of Directors.

- i) Quorum for the meetings is constituted by half of the members plus one. This quorum must be established prior to the beginning of the meeting. Extraordinary meetings can be called at any time and must have the same quorum as described above.

j) Two delegates (or supplants) per affiliated institution can participate in the Board of Directors monthly meetings. These delegates are able to voice their opinions, but do not have the right to vote.

k) To approve or disapprove the participation of visitors in the monthly meeting

l) To do anything else that is indicated by the current By-laws.

Article 32 – The functions of the President are as follows:

a) To represent KSFF in domestic and/or international events in which KSFF is participating.

b) To preside the meetings of the Board of Directors and the General Assembly.

c) When needed, to invoke extraordinary sessions of the Board of Directors.

d) To oversee and inspect all KSFF matters and maintain compliance of its By-laws, Internal By-laws, and the deliberations of the Board of Directors and the General Assembly.

e) To conduct any other actions as required by the By-laws.

Article 33 – The functions of the Vice-President are as follows:

a) To replace the President in his/her temporary or definitive absence throughout the remainder of his/her term.

b) To offer advice and orientation to KSFF members in administrative matters related to their Spiritist Organizations.

c) To organize KSFF's administrative activities.

d) To assist in the spiritual development of KSFF members and the expansion of their activities.

Article 34 – The functions of the Secretary and Vice Secretary are as follows:

a) To maintain records of proceedings of the Board of Directors and the General Assembly.

b) To maintain current files on all KSFF members.

c) To monitor KSFF's affiliated organizations to compose an annual census report.

d) To expedite KSFF's general correspondence and emailing the Minutes of every Board of Directors and General Assembly meetings to all KSFF member organizations.

e) To inform the Board of Directors of all contacts made to KSFF through email, regular mail or other means of communications.

f) To advise all members of the Board of Directors, fifteen (15) days in advance, about Board of Directors meetings and with all member delegates about General Assembly meetings.

In the absence of the Secretary, or in case this one refuses or is unable to act, the Vice Secretary will perform the functions of the Secretary.

Article 35 – The functions of the Treasurer and Vice Treasurer are as follows:

a) To preside over the Finances Committee of the KSFF.

b) To organize the annual budget of KSFF and present it to the Board of Directors and the General Assembly for their consideration.

c) To organize and manage the accounting and other financial issues of KSFF, collecting monthly contributions and other donations.

d) To submit monthly treasury reports to the Board of Directors and all member delegates and to the General Assembly twice a year.

e) To collect and manage KSFF's finances.

f) To establish and manage a bank account in the name of KSFF, registering his or hers signature and that of the Secretary.

g) To oversee the compliance with regards to the fiscal responsibilities of the organization at the State and Federal level.

h) To manage all financial aspects of the KSFF.

i) To yearly renew the Federation incorporated status with the Florida Department of State.

In the absence of the Treasurer, or in case this one refuses or is unable to act, the Vice Treasurer will perform the functions of the Treasurer.

Article 36 – The functions of the Auditor are as follows:

a) To revise and observe that all financial, administrative and statutory activities abide by the legal regulations in effect.

b) To revise records of proceedings, books, archives, files and correspondence of KSFF and inform the Board of Directors and the General Assembly of probable irregularities.

c) To maintain strict compliance of these statutes and the Internal By-laws of KSFF.

d) To observe that the Spiritist image of all the members of the Board of Directors is maintained and demonstrated in all of their actions.

Article 37 – The functions of the Director of Communications are as follows:

- a) To promote the image of KSFF.
- b) To work on the advertising of KSFF's events.
- c) To supervise KSFF's website.
- d) To disseminate KSFF's name in newspapers, brochures, posters, and any other means of communication accepted by the Board of Directors.
- e) To record every KSFF event through the use of video photography or audio recording.
- f) To keep records of all of KSFF's communications and advertising documents.
- g) To carry out and/or supervise projects in the area of communication which the Board of Directors or the General Assembly has approved via a Committee or Commission. The Director will work with an Assistant and various Aids from different member organizations for the performance of the Commission's functions. The Board of Directors will indicate to each Committee or Commission its duties, manner to execute them, and its responsibilities.

Article 38 – The **functions of the Director of Events** are as follows:

- a) To coordinate all KSFF's events.
- b) To be the point of contact for all speakers, organizations, and all others involved in KSFF events.
- c) To coordinate, as needed, the transportation and accommodation for KSFF events' participants.
- d) To jointly work with the Director of Communications envisioning the success of all KSFF's events.
- e) To carry out and/or supervise projects in the area of events which the Board of Directors or the General Assembly has approved via a Committee or Commission. The Director will work with an Assistant and various Aids from different member organizations for the performance of the Commission's functions. The Board of Directors will indicate to each Committee or Commission its duties, manner to execute them, and its responsibilities.

CHAPTER VI

Assets

Article 39 – KSFF maintains its own assets, distinct and independent from its members. The KSFF's assets are legally bound to KSFF's rights and obligations. As a non-profit entity, KSFF cannot distribute its assets among its members, and all of its assets are managed pursuant to the By-laws.

Article 40 – KSFF's assets and income are subject to KSFF's Internal By-laws. They are comprised of:

a) Liquid assets and real estate property that may be acquired and any dividends or additional income these may produce.

b) Profits from ticket sales from KSFF's events, donations and contributions.

c) Any other income obtained from fundraising events and any other lawful means.

Article 41 – KSFF can acquire all necessary assets needed to achieve its objectives. Likewise, it can lease, rent and profit from them in any lawful manner. All financial operations of KSFF must be approved by its Board of Directors.

CHAPTER VII **Dissolution and Liquidation**

Article 42 – The following are reasons for the dissolution and liquidation of KSFF:

a) By acting against the moral principles of the Spiritist Doctrine.

b) By being involved in illegal activities.

c) By being influenced by other doctrines, religions or philosophies that conflict with the Scientific, Philosophical and Moral aspects of Spiritism, as codified by Allan Kardec.

d) By unanimous resolution of all its affiliated members.

Article 43 – In case of KSFF's dissolution and liquidation, and after paying or adequately providing for the debts and obligations of KSFF, the totality of its remaining assets shall be distributed to the national spiritist entity then representing the Spiritist Movement of the United States of America, as long as said organization has been organized and operated exclusively for charitable, educational, religious, and/or scientific purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code. All Internal Revenue Service regulations must be followed during this transition.

CHAPTER VIII **Miscellaneous**

Article 44 – April 18, 1987, is the official foundation date of the Kardecian Spiritist Federation of Florida, Inc. On this date the first meeting was held and the first Board of Directors of KSFF was chosen.

Article 45 – To be considered an accredited affiliated member organization, same must be current with their KSFF's monthly dues as regulated by the internal By-Laws.

Article 46 – KSFF will maintain exact books and records of its accounts and will also maintain minutes or records of proceedings of the meetings of Board of Directors and General Assembly. All the books and records of KSFF can be inspected by any affiliated member, its agent or lawyer, for any reasonable purpose, during working hours and convenient to both parties, scheduling the appointment with an advanced notice of not less than five (5) days.

Article 47 – These By-laws can be altered, amended or repelled, and new articles can be adopted by the vote of two-thirds of the members of the General Assembly. A previous notice needs to be given to the Board of Directors in writing with a statement of the purpose to alter, amend, repel or adopt new articles ten (10) days in advance of said meeting.

Article 48 – It is prohibited to read, distribute, or divulge on behalf of KSFF any material without the previous approval of its Board of Directors. If same is approved, a copy of the material will be filed by the Secretary in KSFF’s records.

Article 49 – No individual or member organization of KSFF is authorized to use the name of KSFF to publish books, magazines, journalistic articles, or other form of publication of any nature, or to use the radio, the television, the "Internet", or any other means of publicity, without the previous written approval of KSFF’s Board of Directors. Any individual or member organization interested in such activity, will have to contact KSFF’s Board of Directors, before doing so, to obtain its prior approval.

CHAPTER IX
Conflict of Interest Policy

Article 50 – The Conflict of Interest Policy attached hereto as Attachment 1 is hereby made a part of these By-laws.

CHAPTER X
By-laws Approvals and Revisions

Article 51 – These By-laws become effective as of the date of their approval and execution.

WE CERTIFY, the undersigned and members of the Board of Directors of Kardecian Spiritist Federation of Florida Inc (KSFF), to have read with care the present statutes and give same our total acceptance.

—
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
President of
Kardecian Spiritist Federation of Florida, Inc
Member of:
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

—
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Vice President of
Kardecian Spiritist Federation of Florida, Inc
Member of:
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

—
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Secretary of
Kardecian Spiritist Federation of Florida, Inc
Member of:

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XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Vice Secretary of
Kardecian Spiritist Federation of Florida, Inc
Member of:

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Treasurer of
Kardecian Spiritist Federation of Florida, Inc
Member of:
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Vice Treasurer of
Kardecian Spiritist Federation of Florida, Inc
Member of:
XX

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XX
Director / Auditor of
Kardecian Spiritist Federation of Florida, Inc
Member of:
XX

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XX
Director / Director of Events of
Kardecian Spiritist Federation of Florida, Inc
Member of:
XX

—
XX
Director / Director of Communications of
Kardecian Spiritist Federation of Florida, Inc
Member of:
XX

Note: The **first revision of these By-laws** took place by initiative of Ciencia Espirita Kardeciana and were discussed in the General Assembly by all the delegates of the affiliated member organizations. The said first revision **was approved on February 18, 1989**. The following members and officers of the Board of Directors of KSFF carefully read the then current statutes and unanimously approved the same in its totality:

- President, Delegate of Casa Espirita Kardeciana Bezerra de Menezes
- Vice-President, Delegate of Centro de Estudios Espiritistas Fuerzas Amigas de Miami
- Secretary, Delegate of Ciencia Espirita Kardeciana
- Treasurer, Delegate of Centro Amor a la Moral

Note: The **second revision of these By-laws** took place throughout the second half of the year of 2007. They **were** finalized and unanimously **approved on December 8, 2007**, by all delegates of the affiliated organizations, members of KSFF, listed below:

Allan Kardec Christian Spiritist Center of Orlando (Orlando)
Bezerra de Menezes Kardecian Spiritist Association (West Miami)
Christian Charity Spiritist Center (Pompano Beach)
Christian Spiritist Study Center (Pompano Beach)
Circulo Fuerzas Amigas (Miami)
Conscious Living Spiritist Group (North Miami)
Kardecian Study Society of Florida (Deerfield Beach)
Love and Charity Spiritist Center of Orlando (Orlando)
Spiritist Center "Fraternidade e Amor" (North Bay Village)
Tampa Bay Spiritist Center "Andre Luiz" (Tampa)

Note: The third revision of these By-Laws took place throughout the first half of the year of 2011. They were finalized and unanimously approved on June 11th, 2011 by all delegates of the affiliated organizations, members of KSFF listed below:

Allan Kardec Spiritist Group of Jacksonville (Jacksonville)
Peace and Knowledge Spiritist Center (Orlando)
Bezerra de Menezes Kardecian Spiritist Association (West Miami)
Christian Charity Spiritist Center (Pompano Beach)
Spiritist Society of Palm Beach (Boca Raton)
Circulo Fuerzas Amigas (Miami)
Conscious Living Spiritist Group (North Miami)
Kardecian Study Society of Florida (Deerfield Beach)
Love and Charity Spiritist Center of Orlando (Orlando)
Spiritist Center "Fraternidade e Amor" (North Bay Village)
Tampa Bay Spiritist Center "Andre Luiz" (Tampa)
Port St Lucie Spiritist Center (Port St Lucie)

Note: The fourth revision of these By-Laws took place throughout the second half of the year of 2014. They were finalized and unanimously approved on November 15th, 2014 by all delegates of the affiliated organizations, members of KSFF listed below:

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Xxx

Attachment 1
to By-laws of Kardecian Spiritist Federation of Florida Inc (KSFF)

CONFLICT OF INTEREST POLICY

Article I
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 applicable to nonprofit and charitable organizations.

Article II
Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

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

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

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

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

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

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board of 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 of 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.

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.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.