

**Edison  
Parent-Teacher Organization, Inc.**

Organized under the Illinois General Not For Profit Corporation Act of 1986 as amended.

## Articles of Incorporation

Filed: Feb. 21, 1990 File No.: 5585-104-2

### Article I

The name of the corporation is: Edison Parent-Teacher Organization, Inc.

### Article II

The name and address of the initial registered agent and registered office are:

*Registered Agent:* Marcey Reyes  
*Registered Office:* 6220 N. Olcott Avenue  
Chicago, Cook County, IL 60631

### Article III

The first Board of Directors shall be seven in number, their names and addresses being as follows:

Jody Gustafik 5010 W. Anislie, Chicago, IL  
Maryanne Chengelis 5809 W. Byron, Chicago, IL  
Lynda Wennerberg 5465 N. Menard, Chicago, IL  
Marcey Reyes 6220 N. Olcott, Chicago, IL  
Sharon Ehrhardt 5644 W. Byron, Chicago, IL  
Joyce Ishida 6044 N. Monticello, Chicago, IL  
Lynn Mecher 4027 N. Leamington, Chicago, IL

### Article IV

The purposes for which the corporation is organized are:

Said corporation is organized exclusively for educational and charitable purposes within the meaning of United States Internal Revenue Code Section 501(c)(3), including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

### Article V

Other provisions:

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Four hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on

behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation.

## Bylaws

Adopted Feb. 23, 1990  
Amended Feb. 3, 2009  
Amended July 15, 2009  
Amended October 14, 2010  
Amended December 13, 2012  
Amended Feb. 24, 2014

### Article I

*Names, Offices, and Purpose*

*Section 1. Name.* The name of this organization is the Edison Parent-Teacher Organization, Inc. (the "PTO").

*Section 2. Office.* The PTO shall maintain a registered office at Thomas A. Edison Regional Gifted Center ("ERGC"), 4929 North Sawyer Avenue, Chicago, Illinois 60625. The PTO's corporate Registered Agent shall be the Principal of ERGC.

*Section 3. Purposes.* The PTO is organized exclusively for educational and charitable purposes within the meaning of United States Internal Revenue Code Section 501(c)(3). Its objectives are to promote the education of the students of Thomas A. Edison Regional Gifted Center and to foster a spirit of cooperation between parents, faculty, and students.

*Section 4. Bylaws.* These Bylaws shall govern the PTO and may not be altered, amended, or repealed except as set forth in Article XII below.

### Article II

*Members*

*Section 1. Membership.* Any parent or legal guardian of a child or children attending ERGC or any teacher or staff member at ERGC is qualified to apply for membership in the PTO. One membership is allowed per household. In addition, the Board of Directors may create an associate membership classification for persons or organizations not qualifying above that wish to participate in the PTO.

*Section 2. Dues.* Each Member shall pay dues to the PTO at such times and in such amounts as determined by the Board of Directors.

*Section 3. Voting Rights.* Each membership, whether parent/guardian household, ERGC staff or teacher, shall be entitled to one vote. Voting by proxy shall not be allowed. Dues must be paid at least 30 days prior to an election of Officers for a Member to be allowed to vote in the election.

*Section 4. Resignation.* Any Member may resign by filing a written resignation with the First Secretary of the PTO.

*Section 5. Reinstatement.* Upon written request signed by a former Member and filed with the First Secretary of the PTO, the Board of Directors may reinstate such Member to membership.

*Section 6. Transfer of Membership.* Membership in the PTO is not transferable or assignable.

*Section 7. Membership Certificates.* No membership certificates shall be required.

### **Article III**

#### *Meetings of Members*

*Section 1. General Meetings.* General Meetings of the Members shall be held once a month as determined by the Board of Directors from September through May unless otherwise ordered by the Board.

*Section 2. Annual Meeting.* The General Meeting held in April shall be considered the Annual Meeting unless otherwise ordered by the Board of Directors.

*Section 3. Special Meetings.* Special Meetings of the Members may be called by the President of the PTO, by the Board of Directors, or by Members having one-third of the votes entitled be cast at such a meeting.

*Section 4. Place of Meetings.* All meetings of Members shall be held in a Chicago Board of Education facility whenever possible. When this is not possible, meetings must be held in public facilities such as libraries, parks, or churches.

*Section 5. Notice of Meetings.* Written notice stating the place, date, and time of any meeting of Members shall be delivered to all Members entitled to vote at such meeting not less than forty-eight hours or more than forty days before the date of such meeting. In

case of a Special Meeting or when required by statute or by these Bylaws, the purpose for which the Special Meeting is called shall be stated in the notice.

*Section 6. Quorum.* Members holding four votes which may be cast at any meeting of the Members shall constitute a quorum at such meeting. If a quorum is not present at any meeting of the Members, a majority of the Members present may adjourn the meeting. At any meeting of the Members at which a quorum is present, a vote of the majority of the Members at such meeting shall be necessary for the adoption of any matter voted upon by Members, unless a greater proportionate vote is required by law or by these Bylaws.

### **Article IV**

#### *Executive Board and Officers*

*Section 1. General.* The Executive Board shall consist of the Officers of the PTO as follows: President, First Vice President, Second Vice President, First Secretary, Second Secretary, and Treasurer. No Member shall hold more than one office at a time. The Executive Board will also consist of four nonvoting advisory members as described in Section 2 of this Article.

*Section 2. Nonvoting Advisory Members (NAM) of the Executive Board.* The NAM of the Executive Board shall consist of: The person holding the position of Principal of ERGC, the person holding the position of Assistant Principal of ERGC, a primary teacher representative from grades Kindergarten through Fourth, and an upper grade representative from grades Fifth through Eighth. A teacher holding the position of the special education instructor, language instructor, science instructor, or any similar position that instructs students of ERGC at all grade levels qualifies as a teacher representative from either the primary or upper grades. The person holding the position of Principal of ERGC shall be the Registered Agent of the PTO. The teacher representatives shall be appointed by any method in which the person holding the position of the Principal of ERGC deems appropriate. These positions have been listed as nonvoting to protect this tax-exempt organization's interest pursuant to the Conflict of Interest Policy as set forth in Article XIV below.

*Section 3. Election of Remaining Officers and Terms of Service.* The Officers of the PTO, other than the NAMs, shall be elected by the Members at the Third-Quarter Report Card Pick-up Day. The Officers shall take office at the conclusion of the General Meeting

of the Members scheduled in May. The President and the Treasurer shall serve two years per term and shall vacate their positions in alternating years so as not to leave both positions vacant simultaneously. The other four elected Officers shall hold office for a term of one year and/or until his or her successor has been fully elected and qualified. Service in any office shall be limited to a maximum of two consecutive terms. These Officers shall be members of the Board of Directors of this PTO.

*Section 4. Vacancies.* A vacancy occurring in any office because of death, resignation, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

*Section 5. President.* The President shall be the Chief Executive Officer of the PTO and shall, subject to the Board of Directors, in general, supervise and control all of the business and affairs of the PTO. The President shall preside at all meetings of the Members and of the Board of Directors. The President shall make or cause to be made such corporate reports as may be required by the State of Illinois. The President shall have power to sign and execute, with the First Secretary or any other proper Officer of the PTO authorized by the Board of Directors, any contracts, agreements or other documents, instruments or obligations which the Board of Directors has authorized to be executed and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

*Section 6. First Vice President.* The First Vice President shall, in the absence, disability, or refusal to act of the President, perform the duties of the President, and when so acting shall have all of the powers of and be subject to all of the restrictions upon the President. In the event of the President vacating his or her office during the term, the First Vice President shall succeed to that office with the approval of a majority of the Board of Directors. The First Vice President shall be responsible for arranging any special programs for General Meetings of the Members.

*Section 7. Second Vice President.* The Second Vice President shall, in the absence, disability, or refusal to act of the President and the First Vice President, perform the duties of the President, and when so acting shall have all of the powers of and be subject to all of the restrictions upon the President. In the event of the President and First Vice President vacating those offices during the term, the Second

Vice President shall succeed to that office with the approval of a majority of the Board of Directors. The Second Vice President shall be responsible for the solicitation and recruitment of Members for this PTO.

*Section 8. Treasurer.* The Treasurer, subject to the supervision and the direction of the Board of Directors, shall have custody of and be responsible for all funds and securities of the PTO; receive and give receipts for monies due and payable to the PTO from any source whatsoever, and deposit all such monies in the name of the PTO in such depositories as may be designated by the Board of Directors; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. The Treasurer shall prepare, or cause to be prepared, and file such annual financial reports as may be required by law, including but not limited to Federal and Illinois State tax returns. Whenever required by the Board of Directors, the Treasurer shall render a statement of the cash accounts and, at all reasonable times, exhibit the books and accounts to any of the Directors during business hours at the principal office of the PTO.

*Section 9. First Secretary.* The First Secretary shall act as the clerk of all meetings of the Members and of the Board of Directors; keep attendance records of such meetings; keep minutes of such meetings; be the custodian of the corporate records and seal of the PTO and see that said seal is affixed to all documents, the execution of which is duly authorized in accordance with the provisions of these Bylaws; perform or cause to be performed such other duties as may be prescribed by the President or the Board of Directors; and, in general, perform or cause to be performed all duties incident to the office of First Secretary.

*Section 10. Second Secretary.* The Second Secretary shall, in the absence, disability, or refusal to act of the First Secretary, perform the duties of the First Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the First Secretary. In the event of the First Secretary vacating his or her office during the term, the Second Secretary shall succeed to that office with the approval of the majority of the Board of Directors. The Second Secretary shall maintain the public records of the Organization including the agenda, minutes, and financial reports for each meeting; perform or cause to be performed such other duties as may be prescribed by the President or the Board of Directors; and, in general, perform or cause to be

performed duties incident to the office of Second Secretary.

*Section 11. Regular Executive Board Meetings.* Meetings of the Executive Board shall be held once a month prior to the meeting of the Board of Directors and the General Meeting of Members as determined by the Executive board from September to June unless otherwise directed by the Board of Directors.

*Section 12. Notice of Executive Board Meetings.* A written notice of regular or special meeting of the Executive Board, stating the place, date, time and purpose of the meeting shall be delivered to all members of the Executive Board not less than forty-eight hours or more than forty days before the date of such meeting. Attendance of an officer or NAM shall constitute a waiver of such meeting. Any officer or NAM may participate at a meeting through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other.

*Section 13. Quorum.* The meetings of the Executive Board will not contain a voting process and therefore it is unnecessary to define or establish a quorum.

## **Article V** *Board of Directors*

*Section 1. General Powers.* The affairs of the PTO shall be managed by the Board of Directors.

*Section 2. Number, Tenure, and Qualifications.* The number of Directors shall be six. The Directors shall consist of the six Officers elected by the Members. The terms of the President and the Treasurer will be two years and/or until his or her successor is elected and qualified. The terms of the other four Directors shall be one year and/or until his or her successor is elected and qualified. Each Director shall be a Member in good standing of the PTO.

*Section 3. Vacancies.* A vacancy occurring in a Directorship because of death, resignation, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

*Section 4. Regular Board Meetings.* Meetings of the Board of Directors shall be held once a month prior to the General Meeting of Members as determined by the Board from September through June unless otherwise directed by the Board of Directors.

*Section 5. Notice of Board Meetings.* A written notice of each regular or special meeting of the Board of Directors, stating the place, date, time, and purpose of the meeting shall be delivered to all Directors not less than forty-eight hours or more than forty days before the date of such meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director may participate and act at a meeting of the Board of Directors through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other.

*Section 6. Quorum.* Four Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Any meeting of the Directors at which a quorum is present may be adjourned by a vote of the majority of Directors present for such a time as may be necessary or convenient, and at any such adjourned meeting, any business may be transacted which might have been transacted by a quorum of the Directors at the meeting as originally convened.

*Section 7. Manner of Acting.* The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute or by these Bylaws.

*Section 8. Informal Action by Directors.* Any action required by law to be taken at a meeting of Directors, or any action which may be taken without a meeting if the consent in writing, setting forth the action so taken, shall be signed by all of the Directors. Such action shall be recorded in the minutes of the next meeting of the Board of Directors.

*Section 9. Removal from Office.* Any member of the Board of Directors who is not performing his/her duties as outlined in these Bylaws, may be removed from office by affirmative vote of 2/3 (two-thirds) of the Directors present for voting. Prior notice must be given. Any Director absent for more than three (3) consecutive meetings, without prior notice, shall automatically forfeit his/her place on the Board and be so notified.

**Article VI**  
*Fiscal Year*

The fiscal year of the PTO shall begin on the first day of July and end on the last day of June of the following year.

**Article VII**  
*Committees*

*Section 1. Election Committee.* An Election Committee consisting of two Directors (who are not running for office) and two Members (who are not Directors) shall be created each February. At the Regular Board Meeting in February, the Board of Directors shall select two Directors to the Election Committee and appoint one of those Directors as Chair to call and preside at meetings of said Committee. At the General Meeting of the Members in February, volunteers from among the Members shall be solicited, two of whom shall be selected by lot to serve on the Election Committee. If no Member volunteers, the Election Committee shall consist of the two Directors. It shall be the duty of this committee to recruit candidates for Officers of the PTO, compile the candidate list and create the ballots for the annual election of Officers by the Members.

Candidates for office must be paid members in good standing at least 30 days before the Election Committee presents the slate. Candidates for the office of President must have served on the Board of Directors for at least one year, served as Chair of a PTO Committee or have attended at least four (4) General PTO Meetings. Since only one vote is allowed per household, only one household member may serve on the Board of Directors at any one time.

After the Election Committee has been established, nominations from the floor shall be permitted at any General Meeting of Members prior to the election. The order in which candidates will be listed for each office on the ballot will be made by random selection at the last General Meeting of Members prior to the election.

Elections will be held on the Third Quarter Report Card Pick-up Day. The Election Committee will use a membership list, provided by the Second Vice President, to determine voting eligibility of Members, provide ballots to eligible Members and note that said Members have voted. One ballot will be allowed per household. After the election, ballots will be counted by the Chair of the Election Committee, one Member who is not a Director or a candidate, and one non-interested party. The Election Committee shall

announce the newly elected Officers by certifying and publishing the results and will notify each candidate of the election results as soon as reasonably possible. Following the election, the Election Committee shall be dissolved.

*Section 2. Auditing Committee.* The Board of Directors shall appoint an Auditing Committee of three Members to audit the books and accounts of the PTO on a once yearly basis. Alternately, the Board of Directors may hire an outside accounting firm to audit the books and accounts of the PTO.

*Section 3. Other Committees.* The Board of Directors may establish other committees not having or exercising the authority of the Board of Directors. Members of a committee designated under this section shall be appointed by the President of the PTO with the advice and approval of the Board of Directors.

*Section 4. Committee Chairs and Terms of Office.* Unless otherwise specified in these Bylaws, the President of the PTO shall appoint one or more Member(s) as chair (or co-chairs) of each committee. Each chair/co-chair of a committee shall continue as such for a term of one year and/or until a successor is appointed, unless the committee shall be sooner terminated or unless such chair/co-chair shall cease to qualify as a Member thereof.

*Section 5. Vacancies.* Vacancies in the chair of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

*Section 6. Quorum.* Unless otherwise provided in any resolution that designates a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**Article VIII**  
*Contracts, Checks, Deposits, and Funds*

*Section 1. Contracts.* The Board of Directors may authorize any Officer or Officers, agent or agents of the PTO, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the PTO, and such authority may be general or confined to specific instances.

*Section 2. Checks and Drafts.* All checks, drafts, or orders for the payment of money, notes, or other

evidence of indebtedness issued in the name of the PTO shall be signed by such Officer or Officers, agent or agents of the PTO, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice-President. All expenditures shall be supported by documentation as stipulated by the Board of Directors.

*Section 3. Deposits.* All funds of the PTO shall be deposited from time to time to the credit of the PTO in such banks, trust companies, or other depositories as the Board of Directors may select.

*Section 4. Gifts.* The Board of Directors may accept on behalf of the PTO, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the PTO.

#### **Article IX** *Books and Records*

The PTO shall keep correct and complete books and records of account, minutes of proceedings of its Members, Board of Directors, and Committees having any authority given by the Board of Directors, and shall also keep at the office of the registered agent a record giving the names and addresses of the Members entitled to vote. All books and records of the PTO may be inspected by any Member, or his or her agent or attorney, for any purpose at any reasonable time.

#### **Article X** *Waiver of Notice*

Whenever any notice is required to be given under the provisions of any applicable laws or the Bylaws of this PTO, a waiver thereof in writing signed by the party or parties entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### **Article XI** *Parliamentary Authority*

Except as otherwise set forth herein, all meetings of the Members, Board of Directors, and any Committee of the PTO shall be conducted under the appropriate rules of procedure as provided for in the most recent revised edition of Robert's Rules of Order.

#### **Article XII** *Amendments to Bylaws*

These Bylaws may be altered, amended, or repealed, and any Bylaws may be adopted by an affirmative vote of at least five Directors at any regular or special meeting of the Board of Directors, provided that at least ten days' written notice shall have been given to each Director of an intention to alter, amend, or repeal or adopt any Bylaws at such meeting.

#### **Article XIII** *Dissolution*

The Board of Directors may dissolve the PTO by resolution adopted by at least seventy-five percent (75%) of the Directors in office after at least thirty (30) days' written notice of any Director's intention to introduce such a resolution. Such dissolution shall in no way personally benefit any Member, Director, or Officer of the PTO; and upon such dissolution, none of the assets of the PTO shall be distributed to any Member, Director, or Officer of the PTO. Upon such dissolution, the assets of the PTO shall be distributed to another organization organized for one or more tax-exempt purposes in accordance with the provisions of United States Internal Revenue Code Section 501(c)(3).

#### **Article XIV** *Conflict of Interest Policy*

*Section 1. Purpose.* The purpose of this 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, member of the Executive Board or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

*Section 2. Definitions.*

**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:

- i.* An ownership or investment interest in any entity with which the Organization has a transaction or arrangement.
- ii.* A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- iii.* 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 and may include gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 3 b of this Article, 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.

**c. Interest.** An interest is any commitment, investment, relationship, obligation, or involvement, financial or otherwise, direct or indirect, that may influence the judgment of a board member.

**d. Conflict of Interest.** A conflict of interest is present when, in the judgment of the governing board, a board member's stake in the transaction is such that it reduces the likelihood that the board member's influence can be exercised impartially in the best interest of the PTO.

**e. Transaction.** Any transaction, agreement, or arrangement between a governing board member and the PTO, or between the PTO and any third party where a board member has an interest in the transaction or any party to it.

*Section 3. Procedures*

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

**c. Procedures for Addressing the Conflict of Interest.**

- i.* An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- ii.* The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- iii.* After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- iv.* If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

**d. Violations of the Conflicts of Interest Policy**

- i.* If the governing board or committee has reasonable cause to believe a member has failed to disclose the actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- ii.* If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

*Section 4. Records of Proceedings.* The minutes of the governing board and all committees with board delegated powers shall contain:



- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing 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.

*Section 5. Compensation.*

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

*Section 6. Annual Statements.* Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement that 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 Organization is charitable and in order to maintain its tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

*Section 7.* 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.

*Section 6. Use of Outside Experts.* When conducting the periodic reviews as provided for in Section 7, 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.