

Los Padres Soccer Referees Association

Southern California Soccer Officials Association Unit "F"

BY-LAWS AND OPERATING POLICIES

SECTION I. NAME

- Article 1. The name of this organization shall be the Los Padres Soccer Referee Association.
- Article 2. The name for the purpose of affiliation with the California Interscholastic Federation/Southern Section, (CIF/SS) shall be the Unit "F" of the Southern California Soccer Officials Association (SCSOA).
- Article 3. In this document this name hereafter will be called "The Association."
- Article 4. Principal Office.
The principal office of the corporation shall be located in San Luis Obispo County, State of California.
- Article 5. Change of Address.
The designation of the County or State of the corporation's principal office may be changed by amendment of these By-laws. The Board of Directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:
- Address: 820 Plata Road, Arroyo Grande, CA 93420
Dated: September 8, 2014
- Article 6. Other Offices.
The corporation may also have offices at such other places, within or without its State of incorporation, where it is qualified to do business, as its business and activities may require, and as the Board of Directors may, from time to time, designate

SECTION II. GOALS

- Article 1. IRS Section 501(c)(3) Purposes.
This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, 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.
- Article 2. The aims of The Association shall be:
- A. To provide a competent, professional refereeing service to soccer leagues in the Northern Santa Barbara County area and in the S.L.O. County area.
 - B. To promote among the members of The Association, attitudes of courtesy, professionalism, service, improvement, mutual respect, and assistance.
 - C. To provide standard interpretation of the Laws of the Game and mechanics of refereeing.



- D. To Promote soccer in accordance with The Spirit of the Game and in line with FIFA/USSF/Cal-South/AYSO/OTHER decisions.

SECTION III.

MEMBERSHIP

Article 1. Eligibility

- A. Voting membership shall be available to any person subject to the following.
 1. Initial application for membership.
 2. Payment of established membership dues.
 3. Approval of board of directors.
 4. Maintaining attendance requirements for meetings.
 5. Compliance with USSF code of ethics

Article 2. Classification

- A. Members of The Association shall be classified as follows.
 1. FIFA International referee.
 2. USSF National referee.
 3. USSF State referee/AYSO National Referee.
 4. USSF referee 07/AYSO Advanced referee.
 5. USSF referee 08/AYSO Intermediate referee.
 6. USSF Recreational referee/AYSO Regional referee.
 7. Non-Affiliated.
 8. Honorary membership.

Article 3. Game Assignments

- A. New members will be evaluated by the Director of Assessment, Director of Instruction, Director of Assignment, CIF Coordinator, or designee to determine if the member qualifies to be assigned games.
- B. On an annual basis all members will be afforded the opportunity to take the written USSF and physical examination for the purpose of upgrading or maintaining USSF ranking.
- C. At least on a two year basis, all members will be evaluated by a USSF, SCSOA Assessor or an appointed Senior Referee, for the purpose of maintaining eligibility for game assignments.
- D. Game assignments through The Association for leagues shall be made by the Director of Assignment or designee subject to referee availability.
- E. Game assignments for CIF shall be made by the CIF Coordinator or designee.
- F. The Director of Assignment/CIF Coordinator shall be allowed to use non-members for assignments if no member of The Association is available.
- G. The referee is responsible for the timely and accurate completion of required post-game report to the league served. Failure to complete game reports in a timely manner may result in disciplinary action.
- H. Failure to show-up for assigned games without notifying the Director of Assignment/CIF Coordinator may result in disciplinary action.

Article 4. Forfeiture of Membership:



- A. Members will perform their referee functions and conduct themselves in a professional manner at all times. The USSF Code of Ethics for Referees will be followed. (copy attached) Problems of deportment will be brought before the Board of Directors for appropriate action.
- B. Membership may be forfeited for unprofessional conduct, failure to pay dues, and/or conduct detrimental to the welfare of The Association.
- C. Forfeiture of membership shall be determined by a hearing before the Board of Directors. A unanimous vote by the Board of Directors is required for revoking of membership.
- D. Any officer found in violation of this article shall be subject to removal from office by two-thirds vote of the membership at a regularly scheduled meeting.

Article 5. Reinstatement of Membership:

- A. Persons seeking reinstatement must submit a written request.
- B. Approval of reinstatement shall be determined by $\frac{3}{4}$ vote of the Board of Directors no later than two regular meetings after the submission of the request for reinstatement.

SECTION IV. OFFICERS

Article 1. The Board of Directors shall consist of the following elected positions.

- A. President.
- B. Vice President.
- C. Treasurer.
- D. Secretary.
- E. Director of Assignment.

Article 2. The Board of Directors shall appoint and approve by majority vote of the board the following Association Officers.

- A. Director at Large
- B. Director of Assessment.
- C. CIF Coordinator.

Article 3. Board Voting Procedure.

- A. An officer may hold an additional office in conjunction with an elected position.
- B. All officers, including those listed in SECTION IV Article 2 will have a vote, no officer will have more than one vote in matters before the board even though he/she holds multiple offices.
- C. All board decision will be by majority vote of officers.
- D. A quorum of the board shall consist of 5 positions.



- Article 4. Term.
- A. The board of Directors shall be elected at the Annual General Meeting and serve for a period of two (2) year as follows.
 - B. The President, Secretary and Treasurer shall be elected for a two year term on even numbered years starting in 2012
 - C. The Vice President and Director of Assignment shall be elected for a one year (1) term in 2012 and then for a two (2) year term on odd numbered years starting in 2013.
- Article 5. Eligibility.
- A. In order to be nominated for a board position, the nominee will be a member in good standing. He/She will have a history of financial responsibility with the Association and have all dues, fees, and other financial obligations to the Association paid up to date at the time of the nomination
 - B. To be a member in good standing, a nominee will not have had any disciplinary action against him/her during the previous 12 months prior to the nomination. That period can be extended by a majority vote of the Board of Directors. Any violation of the USSF Code of Ethics for Referees is cause for disciplinary action. Disciplinary actions include, but are not limited to, forfeiture/suspension of membership, temporary or permanent removal from referee duties, and written or verbal sanctions or reprimands.
- Article 6. Removal and Resignation.
- Any officer may be removed by the Board of Directors, at any time, either with or without cause. Any officer may resign at any time by giving written notice to the board of directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.
- Article 7. Compensation.
- Directors shall serve without compensation except that a reasonable fee may be paid to Directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Section XII of these By-laws.
- Article 8. Non-liability of Directors.
- The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.
- Article 9. Indemnification by Corporation of Directors and Officers.
- The Directors and Officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of California.



- Article 10. Insurance for Corporate Agents.
Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these By-laws, or provisions of law.

SECTION V. DUTIES AND RESPONSIBILITIES OF BOARD OFFICERS

- Article 1. Duties of the President:
- A. Preside at all meetings.
 - B. Appoint all necessary committees.
 - C. Call special meetings when necessary.
 - D. Execute the will of The Association.
 - E. Act as ex-officio of all projects and committees.
 - F. Assume the role or appoint a board officer until elections can be held to fill the vacancies or until the indisposed officer can resume the duties of office.
- Article 2. Duties of the Vice President:
- A. Perform all the President's duties in his/her absence.
 - B. Negotiate all contracts with soccer leagues in the region.
 - C. Attend League meetings as required and speak on behalf of The Association. (Or his/her designated representative.)
- Article 3. Duties of the Treasurer:
- A. Develop a budget for The Association.
 - B. Collect all dues and pay all bills.
 - C. Deposit or hold all moneys belonging to The Association on behalf of the membership.
 - D. Keep a current statement for The Association.
 - E. Submit a financial statement to The Association at the February meeting.



- Article 4. Duties of the Secretary.
- A. Keep a record of all business transacted by The Association.
 - B. Give at least ten calendar days notices of meetings to all members.
 - C. Keep a current membership roster.
- Article 5. Duties of the Director of Assignment:
- A. Be a “Certified” USSF Assigner or obtain such “Certification” at the Next Certification Opportunity.
 - B. Assign all referees to games in Association-served leagues, or appoint assistants as necessary.
 - C. Maintain a record of all officials assigned.
 - D. Assist in evaluation of referees as part of The Association goals.
- Article 6. Duties of Director at Large
- A. Provide Written and Verbal Communications to the Board of Directors from the Membership.
 - B. Attend League meetings as required and speak on behalf of The Association.
 - C. Perform such other duties as may be assigned by the Board of Directors.
- Article 7. Duties of the Director of Assessment:
- A. Be a “Certified” USSF Assessor or obtain such “Certification” at the Next Certification Opportunity.
 - B. Establish an assessment program for all Association members which will meet the requirements for recertification and lead to upgrade.
 - C. Maintain correspondence/communication with the SDA to ensure that The Association is kept informed of changes/developments.
 - D. Assign certified assessors to conduct evaluations whenever possible/practical.
 - E. Provide evaluation/assessment results to the Assignment Secretary and the CIF Director for aid in assessing officials.
- Article 8. Duties of the CIF Coordinator:
- A. Be a “Certified” by SCSOA as an Assigner, Instructor, Assessor or obtain such “Certification” at the Next Opportunity.
 - B. Direct the activities required to provide officials for all CIF soccer contests.
 - C. Attend CIF and Southern California Soccer Officials Association meetings as required and speak on behalf of The Association. (Or his/her designated representative.)



- D. Direct training in accordance with National Federation High School rules and SCSOA guidelines.
- E. Act as liaison between CIF/Southern Section, CIF Liaison, high schools served and The Association.

Article 9. Common duties for all officers:

- A. All officers shall be prepared to pass along written records of business which transpired during their terms to the succeeding officers at the end of the elected term.
- B. All officers shall maintain records which shall be made available to the membership at large upon request.

SECTION VI. ELECTIONS

Article 1. Procedure for election:

- A. Board of Director positions shall be voted on at the Annual General Meeting, held in February.
- B. Officers shall be elected in the following order:
 - 1. President.
 - 2. Vice President.
 - 3. Treasurer.
 - 4. Secretary.
 - 5. Director of Assignment.
- C. The president will appoint a nominating committee at the January meeting. They shall be responsible for nominations and running the Elections.
- D. The nominee for the position receiving a simple majority of quorum votes shall be elected to that position.
 - 1. Candidates must be in attendance at the election meeting or be prior excused by a board member. Excused candidate is to have contacted board member prior to the start of the meeting. Board member is to contact nominating committee prior to beginning of election with name or names of the persons excused.
 - 2. If no candidate receives a majority of the votes because more than two candidates are running for that position, the candidate receiving the fewest number of votes shall be dropped from the first ballot and a second vote shall be taken. This procedure shall be repeated until one candidate receives a majority of the votes.
- E. All newly elected officers shall assume office on March 1st.
- F. All Vacancies which occur on the board during the year shall be filled by presidential appointment with the Board's approval.

SECTION VII. DUES

Article 1. Dues to The association shall be established by the newly elected board and presented for approval by the membership (majority vote) at the monthly meeting following the Annual General Meeting.

Article 2. Dues may not be lowered or raised for the period of one fiscal year which runs March through February.



- Article 3. One year's dues are required even though a prospective member may join at any time during the year.
- Article 4. Fees for CIF soccer officials shall be established by the board and approved by the general membership prior to commencement of the CIF season each year.
- Article 5. Game assignment, assessment, and other fees will be established by the board and approved by the general membership.

SECTION VIII. MEETINGS

- Article 1. Meetings shall be held at least once per month at a time and place to be determined by the board.
- Article 2. Meetings may be re-scheduled because of holidays or special circumstances.
- Article 3. The annual general meeting shall be held in February.
- Article 4. Quorum at meetings.
 - A. A quorum shall consist of (10) ten members.
 - B. A quorum shall be required to amend By-laws and/or hold elections.
- Article 5. Attendance at meetings:
 - A. Members will strive to attend all meetings.
 - B. Members who do not attend regular meetings and have not contacted the Assignment Secretary with a valid reason for non-attendance may not be assigned games.

SECTION IX. EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

- Article 1. Execution of Instruments.
The Board of Directors, except as otherwise provided in these By-laws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.
- Article 2. Checks and Notes.
Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer or the President of the corporation.



Article 3. Deposits.
All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Article 4. Gifts.
The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

SECTION X. CORPORATE RECORDS, REPORTS, AND SEAL

Article 1. Maintenance of Corporate Records.
The corporation shall keep at its principal office:

- A. Minutes of all meetings of Directors, Committees of the Board, and, if this corporation has Members, of all meetings of Members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.
- B. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
- C. A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership.
- D. A copy of the corporation's articles of incorporation and By-laws as amended to date, which shall be open to inspection by the Members, if any, of the corporation at all reasonable times during office hours.

Article 2. Corporate Seal.
The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Article 3. Directors' Inspection Rights.
Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these By-laws, and provisions of law.

Article 4. Members' Inspection Rights.
If this corporation has any Members, then each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a Member:

- A. To inspect and copy the record of all Members' names, addresses, and voting rights, at reasonable times, upon written demand on the Secretary of the corporation, which demand shall state the purpose for which the inspection rights are requested.



- B. To obtain from the secretary of the corporation, upon written demand on, and payment of a reasonable charge to, the Secretary of the corporation, a list of the names, addresses, and voting rights of those members entitled to vote for the election of Directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available within a reasonable time after the demand is received by the secretary of the corporation or after the date specified therein as of which the list is to be compiled.
- C. To inspect at any reasonable time the books, records, or minutes of proceedings of the Members or of the Board or Committees of the Board, upon written demand on the secretary of the corporation by the Member, for a purpose reasonably related to such person's interests as a Member.
- D. Members shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these By-laws, and provisions of law.

Article 5. Right to Copy and Make Extracts.
Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Article 6. Periodic Report.
The Board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this State or to the Members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

SECTION XI. IRS 501(C)(3) TAX EXEMPTION PROVISIONS

Article 1. Limitations on Activities.
No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this 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 provisions of these By-laws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Article 2. Prohibition Against Private Inurement.
No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its Members, Directors or 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 of this corporation.



Article 3. Distribution of Assets.
Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of California.

Article 4. Private Foundation Requirements and Restrictions.
In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

SECTION XII. CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

Article 1. Purpose of Conflict of Interest Policy.
The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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 2. Definitions.

- a. Interested Person. Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or



3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

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

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

Article 3. Conflict of Interest Avoidance 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. 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.

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.

After exercising due diligence, the governing board or committee shall determine whether the corporation 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.

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 corporation'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. 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.

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 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing board and all committees with Board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article 5. Compensation Approval Policies.

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for Directors, Officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the Board shall also comply with the following additional requirements and procedures:

- A. The terms of compensation shall be approved by the Board or compensation committee prior to the first payment of compensation;
- B. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and



5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- C. the Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- C. The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
1. the terms of the compensation arrangement and the date it was approved;
 2. the Members of the Board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the Board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
 5. If the Board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
 6. any actions taken with respect to determining if a Board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);



7. The minutes of Board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Article 6. Annual Statements.

Each Director, 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 corporation 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 7. Periodic Reviews.

To ensure the corporation 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 corporation'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 8. Use of Outside Experts.

When conducting the periodic reviews as provided for in Article 7, the corporation 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.

SECTION XIII.AMENDMENT PROCEDURE

- Article 1. These By-laws and Operating Policies may be amended at any regularly Scheduled meeting by a two-thirds vote of the membership present. Providing:
- A. A quorum of the members are present.
 - B. The general membership has received in writing such proposed changes at least one week prior to the meeting.

