

# main street arts



## Main Street Arts By-Laws

### ARTICLE I: NAME

1.01 The name of the corporation shall be **Main Street Arts** and it shall be a non-profit corporation, organized and existing under the laws of the State of Vermont.

### ARTICLE II: PURPOSE and POWERS

#### 2.01: Purpose

**Main Street Arts** is a catalyst for arts and community, fostering creative expression through artistic experiences, accessible to all.

With our communities, our artists and our constituents at the core, we strive to act taking the following values to heart:

Include - There is a place for everyone at MSA

Being inclusive and accessible by creating a culture of warmth and belonging, connecting with people and community, acting with transparency, dignity, and respect.

Improve - Wherever you are we raise the bar

Being innovative, acting with courage and challenging the status quo to find new ways to grow, striving for excellence, doing the best we can and holding ourselves accountable.

Inspire - We do art to feed the soul

Being that spark of creativity and imaginative possibility that makes it fun and interesting to be a part of the community, encouraging artists and audiences to open their hearts, to find joy and meaning through vulnerability, authenticity, and beauty.

#### 2.02 Powers

The corporation shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to effect the charitable purposes, for which the corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes.

The powers of the corporation may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

## 2.03 Nonprofit Status and Exempt Activities Limitation

### (a) Nonprofit Legal Status

**Main Street Arts.** is a Vermont non-profit public benefit corporation, recognized as tax exempt under Section 501(c)(3) of the United States Internal Revenue Code.

### (b) Exempt Activities Limitation

Notwithstanding any other provision of these Bylaws, no director, officer, employee, member, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the corporation shall inure to the benefit or be distributable to any director, officer, member, or other private person, 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 the Articles of Incorporation and these Bylaws.

### (c) Distribution Upon Dissolution

Upon the dissolution of **Main Street Arts.**, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

The organization to receive the assets of **Main Street Arts.**, hereunder shall be selected in the discretion of a majority of the managing body of the corporation, and if its members can not so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against **Main Street Arts.**, by one (1) or more of its managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Vermont.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to **Main Street Arts.**, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Vermont to be added to the general fund.

## **ARTICLE III: MEMBERSHIP**

Main Street Arts shall be a community organization governed by a Board of Directors, which may choose to enact a membership to the organization at any time.

## **ARTICLE IV: BOARD OF DIRECTORS (Officers)**

### **4.01 Responsibilities and Duties**

- a. Performance of any and all duties imposed by law, the Articles of Association or these By-laws.
- b. Appointing and removing, prescribing the duties and confirming the compensation of professional employees, contractors and agents of the Corporation.
- c. Setting financial policy, raising funds, approving budgets and overseeing the financial management of the Corporation.
- d. Overseeing the program and activities of Main Street Arts.

### **4.02 Number**

The Board of Directors shall consist of no fewer than 15 and no more than 25 members.

### **4.03 Term**

The term of office of the officers shall be three years. An officer shall not serve for more than two consecutive terms and may be eligible to serve thereafter following the lapse of one year from the conclusion of the last service.

### **4.04 Board Member Recruitment and Election**

The board member recruitment process begins with the board members soliciting nominations. Nominations are brought to the Executive Committee.

- 1) Executive Committee creates a list of desired board member qualities; commitment; qualities to contribute to MSA mission; personality; etc.
- 2) The Executive Committee discusses each nomination using the qualities list as a guide; then selects top nominees to ask to be on the board. Members from the committee are asked to speak with the nominees.
- 3) If the nominees are interested, a meeting is scheduled to meet in person with at least two members of the board (ideally) or at least one board and one staff member. A

board packet is given and discussed.

- 4) Board nominees are then asked to submit bios to the board. They are sent prior to next board meeting for members to review and then at that board meeting the nominee is discussed.
- 5) Board nominees are invited to the next board meeting. They are formally nominated; the nominee speaks to his/her interest in joining and discussion is open to the board...a motion made, and candidates are voted onto the board.  
Officers shall be elected by a majority of the Board of Directors providing there is a quorum. The Director's term will start from the date they are formally elected and the tracking of the term will start on the 1st of the month following the election.

#### **4.05 Resignation**

An officer may submit his/her resignation in writing to the Board at any time during his/her term.

#### **4.06 Removal**

An officer may be removed by two-thirds vote of the board of directors then in office, if:

- 1) the officer is absent (either excused or unexcused) from one-third or more meetings of the board of directors and for one-third of committee meetings in a twelve month period. The board chair(s) is empowered to excuse officers from attendance for a reason deemed adequate by the board chair(s). The chairs (s) shall not have the power to excuse him/herself from the board meeting attendance and in that case, then one co-chair shall excuse the other chair.

Or:

- 2) for cause if before any meeting of the board at which a vote on removal will be made the officer in question is given electronic or written notification of the board's intention to discuss her/his case and is given the opportunity to be heard at a meeting of the board.

#### **4.07 Replacement of Resigned or Removed Officers**

A vacant Officer's seat, resulting from the resignation or removal of an Officer, may be filled by a majority vote of the board at a duly constituted meeting.

## **ARTICLE V: EXECUTIVE OFFICERS**

### **5.01 Election**

The Executive Officers of Main Street Arts shall be elected annually by the Board of Directors. The Executive Officers shall be: Co-Chairs, Secretary and Treasurer.

### **5.02 Term**

The term of office for the Executive Officers shall be one year.

### **5.03 Duties of the Co-Chairs**

The Co-Chairs shall preside at all meetings of the Board and generally perform all acts incident to the office of Chair and shall have such additional powers and duties as may from time to time be assigned to him/her by the Board. The Co-Chairs shall also chair the Executive Committee and be ex-officio voting member of each Board Committee.

### **5.04 Duties of the Secretary**

The Secretary shall be custodian of the records of the Corporation, and shall keep minutes of all full Board meetings and the Executive Committee Meetings, and see that they are distributed promptly after the meetings.

### **5.05 Duties of the Treasurer**

The Treasurer shall be responsible for the funds of the Corporation and shall keep accurate and adequate records of the assets, liabilities and transactions of the Corporation. He/She will approve a written financial report for each Board meeting and an annual financial report after the close of the fiscal year. The Treasurer will also prepare and submit special financial reports to the Board as may be requested. The Treasurer will work with the Finance Committee on an annual budget and other budgets as may be required.

### **5.06 Removal and Resignation**

The board of directors may remove an executive officer at any time, with or without cause. Any executive officer may resign at any time by giving written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the executive officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

## **ARTICLE VI: STAFF**

The Board of Directors, at its discretion, may engage staff who shall be non-voting members of the Board of Directors, Executive Committee and all other committees. The employee handbook and specific job descriptions will be the guiding resource for staff responsibilities, expectations, policies and procedures.

## **ARTICLE VII: COMMITTEES**

### **7.01 Committee Expectations**

Each board officer expected to serve actively on at least one standing committee of the Board and attend meetings of that committee. The Co-Chairs and professional staff shall be ex-officio members of all committees. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

- 1) take any final action on matters which also requires board members' approval or approval of a majority of all members;
- 2) fill vacancies on the board of directors of any committee which has the authority of the board;
- 3) amend or repeal Bylaws or adopt new Bylaws;
- 4) amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;
- 5) appoint any other committees of the board of directors or the members of these committees;
- 6) expend corporate funds to support a nominee for director; or
- 7) approve any transaction;
- 8) to which the corporation is a party and one or more board officers have a material financial interest; or
- 9) between the corporation and one or more of its officers or between the corporation or any person in which one or more of its officers have a material financial interest.

### **7.02 Executive Committee**

The Executive Committee shall include the executive officers of the Board, the staff directors and a chair from each of the standing committees. The Executive Committee shall during intervals between the meetings of the Board, exercise all the powers of the Board in the management of the business and affairs of the Corporation. The Minutes of the Committee shall be distributed to the Board, and all actions of the Committee shall be reported to the Board at its next meeting.

### **7.03 Other Committees**

There may be other committees as may from time to time be appointed by vote of the Board of Directors. Membership on these committees shall be open to all, members and non-members, and they shall act in an advisory capacity to the Board. Co-Chairs of these committees must be members of the Board of Directors.

## **ARTICLE VIII: MEETINGS**

### **8.01 Meetings and Action of Committees**

Board meetings shall be held at least quarterly (or more frequently as assigned by the Co-Chairs), including the end of the fiscal year meeting in April. A majority of officers presently in office shall constitute a quorum. Written notice of time and place and business to be brought before each meeting shall be sent to staff Directors prior to the meeting. The board members shall elect the Executive Officers at the April meeting.

### **8.02 Special Meetings**

Special meetings of the committee may also be called by resolution of the board of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee.

### **8.03 Meeting Minutes**

Minutes shall be kept of all meetings and shall be filed with the corporate records. The board of directors may adopt rules for the governing of the committee not inconsistent with the provision of these Bylaws.

### **8.04 Informal Action By The Board of Directors**

Any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if consent is in writing, setting forth the action so taken, shall be agreed by the consensus of a quorum. For purposes of this section an e-mail transmission from an email address on record constitutes a valid writing. The intent of this provision is to allow the board of directors to use email to approve actions, as long as a quorum of board members gives consent.

### **8.05 Annual Public Meeting**

The Board of Directors will hold an Annual Meeting of Main Street Arts. The meeting shall be held within six weeks at the end of the fiscal year. The purpose of this meeting is to present the Annual Report and Annual Financial Report, and conduct any other business that should properly be brought before the meeting. Written notice of time and place and business to be brought before the meeting shall be announced to the public not less than seven calendar days prior to the meeting date.

## **ARTICLE IX: CODES OF ETHICS AND WHISTLEBLOWER POLICY**

### **9.01 Purpose**

Main Street Arts requires and encourages officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the corporation must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the

intent of Main Street Arts. to adhere to all laws and regulations that apply to the corporation and the underlying purpose of this policy is to support the corporation's goal of legal compliance. The support of all corporate staff is necessary to achieving compliance with various laws and regulations.

### **9.02 Reporting Violations**

If any officer, staff or employee reasonably believes that some policy, practice, or activity of Main Street Arts is in violation of law, a written complaint must be filed by that person with the chair or chairs of the board.

### **9.03 Acting in Good Faith**

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be viewed as a serious disciplinary offense.

### **9.04 Retaliation**

Said person is protected from retaliation only if she/he brings the alleged unlawful activity, policy, or practice to the attention of Main Street Arts and provides the Main Street Arts with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement. Main Street Arts shall not retaliate against any officer, staff or employee who in good faith, has made a protest or raised a complaint against some practice of Main Street Arts or of another individual or entity with whom Main Street Arts has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy. Main Street Arts shall not retaliate against any officer, staff or employee who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of Main Street Arts that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

### **9.05 Confidentiality**

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

### **9.06 Handling of Reported Violations**

The board president or vice president shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports shall be promptly investigated by the board and its appointed committee and appropriate corrective action shall



be taken if warranted by the investigation. This policy shall be made available to all officers, staffs or employees and they shall have the opportunity to ask questions about the policy.

## **ARTICLE X: CONTRACTS, CHECKS, LOANS, INDEMNIFICATION AND RELATED MATTERS**

### **10.01 Contracts and other Writings**

Except as otherwise provided by resolution of the board or board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the corporation shall be executed on its behalf by the Managing Director or other persons to whom the corporation has delegated authority to execute such documents in accordance with policies approved by the board.

### **10.02 Checks, Drafts**

All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the board.

### **10.03 Deposits**

All funds of the corporation not otherwise employed shall be deposited at least weekly to the credit of the corporation in such banks, trust companies, or other depository as the board or a designated committee of the board may select.

### **10.04 Loans**

No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the board. Such authority may be general or confined to specific instances.

### **10.05 Indemnification**

#### **(a) Mandatory Indemnification**

The corporation shall indemnify an officer or former officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was an officer of the corporation against reasonable expenses incurred by him or her in connection with the proceedings.

#### **(b) Permissible Indemnification**

The corporation shall indemnify an officer or former officer made a party to a proceeding because he or she is or was an officer of the corporation, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

### **(c) Advance for Expenses**

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of (I) a written affirmation from the officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (II) an undertaking by or on behalf of the officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation in these Bylaws.

### **(d) Indemnification of Officers, Agents and Employees**

An officer of the corporation is entitled to mandatory indemnification under this article to the same extent as anyone on the board of directors. The corporation may also indemnify and advance expenses to an employee or agent of the corporation who is not an officer consistent with Vermont Law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the board or by contract.

## **ARTICLE XI: TRANSPARENCY and ACCOUNTABILITY**

### Disclosure of Financial Information With The General Public

#### **11.01 Purpose**

By making full and accurate information about its mission, activities, finances, and governance publicly available, Main Street Arts practices and encourages transparency and accountability to the general public. This policy will:

- (a) indicate which documents and materials produced by the corporation are presumptively open to staff and/or the public
- (b) indicate which documents and materials produced by the corporation are presumptively closed to staff and/or the public
- (c) specify the procedures whereby the open/closed status of documents and materials can be altered.

The details of this policy are as follows:

#### **11.02 Financial and IRS documents (The form 1023 and the form 990)**

Main Street Arts shall provide its Internal Revenue forms 990, 990-T, 1023 and 5227, bylaws, conflict of interest policy, and financial statements to the general public for inspection free of charge.

#### **11.03 Means and Conditions of Disclosure**

Main Street Arts shall make "Widely Available" the aforementioned documents on its internet website: [www.mainstreetarts.org](http://www.mainstreetarts.org) to be viewed and inspected by the general public.

(b) The website shall inform readers where to access bylaws, policies and financial statements.

(d) Main Street Arts shall inform anyone requesting the information where this information can be found. This information must be provided for in-person requests and within 7 days for mailed requests.

#### **11.04 IRS Annual Information Returns (Form 990)**

Main Street Arts shall submit the Form 990 to its board of directors prior to the filing of the Form 990. While neither the approval of the Form 990 or a review of the 990 is required under Federal law, the corporation's Form 990 shall be submitted to each member of the board of director's via (hard copy or email) at least 10 days before the Form 990 is filed with the IRS.

#### **11.05 Board**

(a) All board deliberations shall be open to the public except where the board passes a motion to make any specific portion confidential.

(b) All board minutes shall be open to the public once accepted by the board, except where the board passes a motion to make any specific portion confidential.

#### **11.06 Staff Records**

1. All staff records shall be available for consultation by the staff member concerned or by their legal representatives.
2. No staff records shall be made available to any person outside the corporation except the authorized governmental agencies.
3. Within the corporation, staff records shall be made available only to those persons with managerial or personnel responsibilities for that staff member, except that
4. Staff records shall be made available to the board when requested.

### **ARTICLE XII: MISCELLANEOUS**

#### **12.01 Books and Records**

The corporation shall keep correct and complete books and records of account and shall keep the minutes of the proceedings of all meetings of its board of directors, a record of all actions taken by the board of directors without a meeting (for example, email), and a record of all actions taken by committees of the board. In addition, the corporation shall keep a copy of the corporation's Articles of Incorporation and Bylaws as amended to date.

#### **12.02 Fiscal Year**

The Fiscal Year of Main Street Arts shall be from April 1 through March 31.

### **12.03 Conflict of Interest**

The board shall adopt and periodically review a conflict of interest policy (see Addendum below) to protect the corporation's interest when it is contemplating any transaction or arrangement which may benefit any officer, employee, affiliate, or member of a committee with board-delegated powers.

### **12.04 Nondiscrimination Policy**

The officers, committee members, employees, and persons served by this corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of Main Street Arts not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran's status, political service or affiliation, color, religion, or national origin.

### **12.05 Bylaw Amendment**

To adopt and/or amend these By-Laws will require a two-thirds vote of all Board members. Amendments may be made at any regular Board Meetings providing that all staff Directors have been notified in writing at least seven calendar days in advance, and a copy of the proposed changes is included in such notification.

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By-laws adopted January 27, 1988  
John Newton, Chairman  
Beth Elaine Smallheer, Secretary  
Darlene Coffey, Treasurer

Amended June 19, 1990 at a regular meeting of the Board of Directors

Amended October 1997 at a regular meeting of the Board of Directors

Amended May 29, 2002 at a regular meeting of the Board of Directors

Amended November 17, 2004 at a regular meeting of the Board of Directors

Amended February 12, 2012 at a regular meeting of the Board of Directors

Amended December 8, 2014 at a regular meeting of the Board of Directors

Amended October 11, 2017 at a regular meeting of the Board of Directors

Amended July 31, 2019 at a regular meeting of the Board of Directors

## **ADDENDUM**

### **Main Street Arts (MSA) Conflict of Interest Policy**

#### **For Directors and Officers and Members of a Committee with Board Delegated Powers**

##### **ARTICLE I: Purpose**

1. The purpose of this Board conflict of interest policy is to protect MSA's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of MSA or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
3. This policy is also intended to identify "independent" directors.

##### **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 MSA has a transaction or arrangement,
  - b. A compensation arrangement with MSA or with any entity or individual with which MSA has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MSA 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. A person who has a financial interest may have a conflict of interest only if the Board or Executive Committee decides that a conflict of interest exists, in accordance with this policy.

1 This policy is based on the IRS model Conflict of Interest policy, which is an attachment to Form 1023. It adds information needed to allow MSA to assess director independence in order to answer questions on Form 990.

3. **Independent Director** -- A director shall be considered "independent" for the purposes of this policy if he or she is "independent" as defined in the instructions for the IRS 990 form or, until such definition is available, the director ...
  - a. is not, and has not been for a period of at least three years, an employee of MSA or any entity in which MSA has a financial interest;
  - b. does not directly or indirectly have a significant business relationship with MSA, which might affect independence in decision-making;
  - c. is not employed as an executive of another corporation where any of MSA's executive officers or employees serve on that corporation's compensation committee; and
  - d. does not have an immediate family member who is an executive officer or employee of MSA or who holds a position that has a significant financial relationship with MSA.
4. **Nonfinancial interest**—is a nonfinancial interest that might influence an officer's, director's, or committee member's participation or vote in an action of the officer's, director's, or committee member's duties:
  - a. The person's relationship as an unpaid volunteer, officer or director of an organization that may be affected, directly or indirectly, by action to be taken, or not taken, by MSA
  - b. The person's personal, political, religious, friendship, or personal relationships which may be affected by an action to be taken, or not taken, by MSA.

### **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 any financial interest and

be given the opportunity to disclose all material facts to the Board or Executive Committee.

2. **Disclosure of non-financial interests.** Directors shall disclose non-financial interests generally in their annual statement, and specifically as individual interests arise. Non-financial interests are expected, and shall not be reviewed unless a Board member (including the affected member) requests that the interest be reviewed under the Conflict of Interest Policy.
3. **Recusal of Self** – Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
4. **Determining Whether a Conflict of Interest Exists** -- After disclosure of the financial interest all material facts will be disclosed and reviewed, including discussion with the interested person. Upon request by a Board member the material facts of a nonfinancial interest will be reviewed, including discussion with the interested party. Then the potentially conflicted Member shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.
5. **Procedures for Addressing the Conflict of Interest**
  - a. An interested person may make a presentation at the Board or Executive Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction, arrangement, or other matter involving the possible conflict of interest.
  - b. The Chairperson of the Board or Executive 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 Board or Executive Committee shall determine whether MSA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a financial conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a financial conflict of interest, the Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in MSA'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.

#### **6. Violations of the Conflicts of Interest Policy**

If the Board or Executive 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.

- a. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the
- b. 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 Board and all committees with board delegated powers shall contain:

1. 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 Board's or Executive Committee's decision as to whether a conflict of interest in fact existed.
2. 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**

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



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

#### **ARTICLE VI– Annual Statements**

1. Each director, principal officer and member of a committee with Board delegated powers shall sign a statement which affirms such person:
  - a. Has received a copy of the conflict of interest policy,
  - b. Has read and understands the policy,
  - c. Has agreed to comply with the policy, and
  - d. Understands MSA 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.
2. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.
3. The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

#### **ARTICLE VII – Periodic Reviews**

To ensure MSA 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.

2. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to MSA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or 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, MSA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Revision History by the MSA Board

Initial Conflict of Interest policy adopted *July 31, 2019*

### **Director and Officer Conflict of Interest Statement**

1. Name: \_\_\_\_\_ Date: \_\_\_\_\_
2. Are you a member in Good Standing? Yes No
3. What organization or other membership affiliation do you represent?
4. Position:  
Are you a voting Director? Yes  
No Are you an Officer? Yes  
No  
If you are an Officer, which Officer position do you hold: \_\_\_\_\_
5. I affirm the following:  
  
I have received a copy of the MSA Conflict of Interest Policy.  
(initial) I have read and understand the policy.  
(initial)  
I agree to comply with the policy. (initial)  
I have reviewed the Board Member Job Description. (initial)

I understand that MSA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. (initial)

6. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with MSA? Yes No

- i. If yes, please describe it:
- ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with MSA? Yes No

- i. If yes, please describe it, including when (approximately):
- ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

7. Are you an independent director, as defined in the Conflict of Interest policy? Yes No

a. If you are not independent, why?

Signature of director

Date:

Date of Review by Executive Committee: