



# **UNITED STATES NAVAL ACADEMY**

## **CLASS OF 1975**

### **CLASS CHARTER & BYLAWS**

**31 MARCH 2020**

# **United States Naval Academy Class of 1975**

## **CLASS CHARTER**

The purposes and objectives of the United States Naval Academy (USNA) Class of 1975, hereinafter referred to as the Class, are as follows:

- (a) To promote esprit de corps and fellowship, and provide information of professional, social, or general interest concerning the Class, and/or classmates;
- (b) to maintain and uplift the honor, traditions, and integrity of the Brigade of Midshipmen and the United States Naval Academy;
- (c) to provide an effective and legal means to manage the Class organization's affairs and finances.

# **Bylaws of the United States Naval Academy Class of 1975**

## **Table of Contents**

<i>Article I</i> .....	<b>5</b>
<i>Class Organization</i> .....	<b>5</b>
Section 1.1 Powers. ....	5
<i>Article II</i> .....	<b>5</b>
<i>Membership</i> .....	<b>5</b>
Section 2.1 Automatic Membership.....	5
Section 2.2 Honorary Membership.....	5
Section 2.3 Responsibilities of Class Members. ....	6
Section 2.4 Loss of Membership.....	6
<i>Article III</i> .....	<b>6</b>
<i>Officers</i> .....	<b>6</b>
Section 3.1 Organization Officers, Executive Board, Advisory Board.....	6
Section 3.2 Responsibility. ....	7
Section 3.3 Qualifications to Serve as a Class Officer.....	7
Section 3.4 Duties of the President.....	7
Section 3.5 Duties of the Vice President. ....	8
Section 3.6 Duties of the Secretary.....	8
Section 3.7 Duties of the Treasurer.....	8
Section 3.8 Duties and Qualifications of the Company Representative. ....	9
<i>Article IV</i> .....	<b>9</b>
<i>Class Meetings</i> .....	<b>9</b>
Section 4.1 Quinquennial Meeting. ....	9
Section 4.2 Special Meetings.....	9
Section 4.3 Notice of Meetings.....	10
Section 4.4 Quorum.....	10
Section 4.5 Order of Business.....	10
Section 4.6 Voting Power. ....	10
Section 4.7 Proxy Vote. ....	10
Section 4.8 Voting by Electronic Means.....	10
<i>Article V</i> .....	<b>11</b>
<i>Executive Board Meetings</i> .....	<b>11</b>
Section 5.1 Times and Purpose.....	11
Section 5.2 Notice.....	11
Section 5.3 Quorum.....	11
<i>Article VI</i> .....	<b>11</b>
<i>Nomination and Election of Class Officers</i> .....	<b>11</b>
Section 6.1 Nominations.....	11

Section 6.2 Elections.....	12
Section 6.3 Ballots.....	12
Section 6.4 Voting.....	12
Section 6.5 Tallying.....	12
Section 6.6 Plurality.....	12
<b>Article VII.....</b>	<b>13</b>
<i>Voting Subjects</i> .....	<b>13</b>
Section 7.1 Membership Vote.....	13
Section 7.2 Mandatory Voting Subjects.....	13
Section 7.3 Vote to Carry Proposition.....	13
<b>Article VIII .....</b>	<b>13</b>
<i>Class Organization Funds</i> .....	<b>13</b>
Section 8.1 Method of Appropriation of Funds.....	13
Section 8.2 Expenditures.....	13
<b>Article IX .....</b>	<b>14</b>
<i>Amending Processes</i> .....	<b>14</b>
Section 9.1 Amendment of the Class Charter.....	14
Section 9.2 Amendment of the Class Bylaws.....	14
<b>Article X.....</b>	<b>14</b>
<i>Dissolution</i> .....	<b>14</b>
Section 10.1.....	14
<b>Article XI .....</b>	<b>15</b>
<i>Enactment</i> .....	<b>15</b>
Section 11.1.....	15

# **Bylaws of the United States Naval Academy Class of 1975**

## **Article I**

### ***Class Organization***

#### **Section 1.1 Powers.**

The Class Organization may do all acts and things necessary, convenient, or expedient to carry out the purposes for which it is formed, subject to all limitations imposed by law, these Bylaws, and the Class Charter.

## **Article II**

### ***Membership***

#### **Section 2.1 Automatic Membership.**

Membership in the Class shall be automatic for any person who took the Oath of Office with the Class of 1975 of the U.S. Naval Academy (USNA) entering as Plebes in the summer of 1971 and those who joined the Class of 1975 as “turn-backs” from other Classes who graduated as members of the Class of 1975. Those who graduated (811) from the USNA in the Class of 1975 are considered graduate members of the Class. Those who were at any time a member of the USNA Class of 1975 but did not graduate (approximately 560) with the Class will be considered non-graduate members of the Class. All of these Class members shall be known as “Classmates.”

#### **Section 2.2 Honorary Membership.**

With regard to Honorary Membership in the Class:

- (a) The widow of a deceased Classmate shall be eligible for Honorary Membership in the Class provided she and the Classmate were legally married and not separated or otherwise estranged at the time of his death.
- (b) Upon the nomination of any candidate deemed worthy of an Honorary Membership in the Class by any Classmate, the Executive Board shall consider such nomination at its next meeting called pursuant to these Bylaws, and shall upon a concurring vote of 2/3 of its members present, award such candidate an Honorary Membership in the Class; provided, that such Honorary Membership shall not be deemed final unless and until the action of the Executive Board is ratified by 2/3 of the membership present at the next meeting of the Class.
- (c) A person awarded Honorary Membership shall have all rights of a Classmate except that an honorary member shall have no power to vote in Class Organization affairs, nor hold office in the Class Organization.

### **Section 2.3 Responsibilities of Class Members.**

All Classmates are encouraged to support the objectives of the Class Charter and shall, on a voluntary basis:

- (a) Participate in Class activities, especially the Quinquennial (i.e., every five years) Reunions and Meetings of the Class;
- (b) be responsible, whether they are members of the USNA Alumni Association or not, for maintaining their personal profile, which includes contact information (address, electronic address, etc.) with the USNA Alumni Association (this information is typically found on the Association's website and may be kept confidential);
- (c) Support the local USNA Alumni Association Chapter located nearest their residence;
- (d) Contribute to the fundraising goals of the Class and/or the USNA Alumni Association; and
- (e) Keep the Class informed, through the Secretary and/or their Company Representative, of any personal news that may be of interest to other members.

### **Section 2.4 Loss of Membership.**

Generally, the term of membership shall be for life; provided, however, that:

- (a) any member may resign at any time by written notice submitted to the Secretary of the Class Organization;
- (b) any member may be suspended or expelled for cause, after a hearing, by the affirmative vote of two-thirds (2/3) of the entire Executive Board and a subsequent affirmative vote of three-fourths (3/4) of the Class at the next Class Meeting; and,
- (c) any person eligible for membership who is terminated from the military or federal service of the United States under conditions other than honorable, or who is convicted in a court of law of a crime of moral turpitude, shall be disqualified from membership or, if a member, shall be expelled from membership.

## **Article III**

### ***Officers***

#### **Section 3.1 Organization Officers, Executive Board, Advisory Board.**

The officers of the Class Organization shall:

- (a) consist of a President, Vice President, Secretary, Treasurer and
- (b) constitute the Class Organization's Executive Board.

All former Class Officers, from June 1975 to present, comprise the Advisory Board. Advisory Board members have no power beyond that of members but serve as resources for the Executive Board. At the discretion of the President, Advisory Board members may be invited to participate in Executive Board meetings.

### **Section 3.2 Responsibility.**

The responsibility for the management of the affairs of the Class shall be vested in the Executive Board. All members of the Executive Board and the Advisory Board will abide by the Conflict of Interest Policy outlined in Appendix A.

### **Section 3.3 Qualifications to Serve as a Class Officer.**

A Class Officer shall be:

- (a) a graduate member of the Class and a current member of the USNA Alumni Association;
- (b) elected by a plurality vote pursuant Article VI of these Bylaws and shall hold office for a term of five years, except as hereinafter provided by these Bylaws; and
- (c) eligible to succeed himself.

### **Section 3.4 Duties of the President.**

The President shall:

- (a) have the general supervision of the Class;
- (b) direct the meetings of the Executive Board and of the membership when present at such meetings;
- (c) be authorized to sign all instruments necessary or expedient to the management of the Class;
- (d) have the power to originate all committees deemed necessary by him in carrying out the functions of his office or the offices of any member of the Executive Board;
- (e) have the power to nominate any member who fulfills the necessary requirements as set forth herein to fill any vacancy or vacancies which may occur in the Executive Board during his term of office, which nomination shall be presented to the Executive Board and the Executive Board shall vote on such nomination, and upon acceptance by the majority, such person shall be named to fill such vacancy for the duration of the term of the office vacated (if the nomination shall be rejected by the Executive Board, the President shall offer additional nominations until the vacancy is filled by a nominee acceptable to the Executive Board in the manner set forth herein); and
- (f) represent the Class as a member of the Council of Class Presidents (COCP), an organization that is supportive of USNA Alumni Association.

(Note: Such duties on this council are governed by the COCP Charter. If in the course of his service on the COCP the President is unable to attend a meeting he shall ensure that a fellow member of the Class Executive Board is designated to attend in his place.

Additionally, the Class President, while serving as a member of the COCP, may be selected to serve as the 1970's Decade Representative from the COCP to the USNA Alumni Association Board of Trustees (BOT). If the Class President is serving in this capacity and shall be replaced in a Class Election, the term of the incoming Class President shall commence immediately, and he will be a voting member of the COCP in accordance with the COCP Charter. The outgoing Class President's tenure on the BOT will be governed by the COCP Charter and the BOT's Bylaws.)

### **Section 3.5 Duties of the Vice President.**

The Vice President shall:

- (a) in the absence of the President perform duties as delegated by the President;
- (b) have all powers vested in the President in the event of incapacity of the President; and
- (c) succeed to the office of the President in the event of a vacancy occurring in that office; provided that in such event the Vice President shall be limited by the remaining term of his elected office, at which time an election will be held for the new President.

### **Section 3.6 Duties of the Secretary.**

The Secretary shall:

- (a) be responsible for maintaining a roster of names, addresses, and other contact information of members of the Class;
- (b) be responsible for transmission of Class news through *SHIPMATE*, the Class website, and/or other suitable means;
- (c) be responsible for the general administrative functions of the Class Organization and maintenance of class records as set forth in these Bylaws;
- (d) ensure an accurate account of all proceedings of the official meetings of the Class Organization is maintained and made available to other Classmates; and
- (e) temporarily succeed to the office of Vice President in the event of a vacancy occurring in that office until such time as a successor is appointed in that office;
- (f) in the event that the offices of President and Vice President are vacant during the same period, the secretary shall succeed directly to the office of President to serve in that office for the remainder of the term of his elected office and shall have all the powers and shall assume all duties of that office.

### **Section 3.7 Duties of the Treasurer.**

The Treasurer shall:

- (a) be responsible for the general financial activity of the Class Organization as set forth in these Bylaws;
- (b) maintain accurate and current records of the funds of the Class, which records shall be presented on demand of the President, Vice President, or Secretary, or upon written demand of any five Classmates;
- (c) submit a financial statement for the previous year and a projected budget for the forthcoming year for approval by the Executive Board;
- (d) advise the Class as to the financial status of the Class Organization, at least annually; and
- (e) cause state and / or federal annual income tax reports to be filed annually with the respective state and federal government as required.
- (f) succeed to the office of President in the event that the offices of President, Vice President, and Secretary are vacant during the same period, to serve in that office for the remainder of the term of his elected office and shall have all the powers and shall assume all duties of that office.

### **Section 3.8 Duties and Qualifications of the Company Representative.**

Each company, defined as that organizational unit of the same name at the USNA to which Classmates were assigned for their academy tenure, will choose one company representative by a method determined in each individual company. An alternate representative will be chosen in the same manner. Names and addresses, including electronic mail addresses, of both representatives will be forwarded to the Secretary.

Company Representatives:

- (a) will act as a direct link between Classmates and the Executive Board;
- (b) will facilitate the intercompany communications;
- (c) will have the following responsibilities:
  - (1) to keep the Secretary informed of his and the alternate company representative's address (including electronic address);
  - (2) to assist the USNA Alumni Association with address information for members of his company;  
(Note: It is each member's own responsibility to maintain their contact information with the Alumni Association. The Alumni Association maintains the official contact information for all persons who have attended the USNA and that information is available to all members, though the individual may choose to keep any or all of that information confidential when supplying it to the Alumni Association.);
  - (3) to forward to the Secretary any other news of interest to the Class;
  - (4) to apprise the Executive Board of any issues that merit the Board's attention; and
  - (5) to pass down to company-mates news and information promulgated by the Executive Board;
- (d) serve voluntary five-year terms that run between Quinquennial Reunions.

Company Representatives will be contacted by the Secretary promptly after each Quinquennial Reunion to confirm their status for the next five-year term. When a Company Representative no longer desires the responsibility of his position, or if the members of the company represented so vote, the alternate shall become the Company Representative, and a new alternate selected.

## **Article IV**

### ***Class Meetings***

#### **Section 4.1 Quinquennial Meeting.**

The Quinquennial Meeting of the Class shall normally be held during the Class' five-year Reunion Weekend; however, this date may be altered by the Executive Board when, in the discretion of the Board, such date is not deemed appropriate or expedient.

#### **Section 4.2 Special Meetings.**

Special meetings of the Class may be held at such time and place as the President or the Executive Board shall determine. A special meeting will also be called upon a petition submitted

to the Board and signed by no fewer than fifteen Classmates. Such petition shall specify the purpose of the meeting.

### **Section 4.3 Notice of Meetings.**

Notice of Class Meetings shall be published in *SHIPMATE* by the Secretary and posted on the Class website no later than sixty (60) days prior to the date set for such meeting; provided, however, that in the event the Secretary notifies Classmates by postal mail or electronic mail (e-mail), such notification shall be deemed adequate if posted within thirty (30) days prior to the date set for such meeting. As practical, a meeting agenda shall be included and the Class shall be provided an opportunity to propose agenda items.

### **Section 4.4 Quorum.**

A quorum for the purposes of conducting a meeting shall consist of no fewer than five percent (5%) of the living graduate members of the Class (inclusive of Proxy Votes per Section 7 of this article), excluding Class Officers; provided that the Executive Board may alter this requirement in the event of unusual circumstances. However, in no event will a Class Meeting be conducted with fewer than twenty (20) Classmates including Officers.

### **Section 4.5 Order of Business.**

The order of business at any meeting of the Class shall be determined by the Class Officer presiding at such meeting but shall, insofar as practicable, conform to standard parliamentary procedure.

### **Section 4.6 Voting Power.**

Each member present shall be entitled to one vote at any meeting of the Class except as provided in Section 7 of this article. Each Classmate is entitled to one vote for the purposes herein provided. The presiding officer shall not be entitled to vote except in the case of a tie vote.

### **Section 4.7 Proxy Vote.**

Any Classmate wishing to have his vote cast by proxy must send a letter or e-mail request to the person whom he wishes to cast his proxy vote and one copy of the letter or e-mail request to the Secretary, authorizing that person to cast his vote.

### **Section 4.8 Voting by Electronic Means.**

From time to time, special circumstances may arise where a vote of the Executive Board or the Class is necessary before a meeting can be held. In such cases, the President or the Executive Board may authorize a vote by electronic means. A vote may be held by e-mail or website poll, in which case the Secretary (or designee) will receive the votes and report the results to the

Board. Vote integrity must be assured in a manner specified for that vote. A provision for any Classmate who is unable to vote by electronic means shall be made available when practical.

## **Article V**

### ***Executive Board Meetings***

#### **Section 5.1 Times and Purpose.**

Meetings of the Executive Board shall be held at the call of the President or Vice President at such times and places as may be necessary to carry out the duties and functions of the Board. In addition, any Board member may request a meeting of the Board through correspondence with the President or Vice President.

#### **Section 5.2 Notice.**

Notice of the time and place of Board meetings shall be given by the Secretary at least ten (10) days prior to such meeting and shall contain in substance the purpose of the meeting.

#### **Section 5.3 Quorum.**

A majority of the Board members (3 when all Officer positions are filled) shall constitute a business quorum.

## **Article VI**

### ***Nomination and Election of Class Officers***

#### **Section 6.1 Nominations.**

The Executive Board shall appoint a Classmate to lead the nominations/election effort as early in the quinquennial election year (that is, 2020, 2025, 2030, etc.) as practicable. The appointed Classmate has the latitude to involve as many other Classmates as he needs in order to carry out the nominations process.

The appointed Classmate along with any other Classmates he involves in the nominations process shall be known as the Nominations/Election Committee and shall not be candidates for Class office. The appointed Classmate shall serve as Chairman. The names and contact information of the Committee shall be posted on the Class website, together with the deadline for submitting nominations for the forthcoming election (which deadline will be no sooner than sixty days after the Committee members' names and contact information have been posted on the Class website). Qualified Classmates wishing to serve in an elected office shall contact a member of the Committee to place their names in nomination. A Classmate may also nominate another qualified Classmate for any elected office. The Committee will determine the eligibility of each candidate, and for those candidates nominated by another, determine if they are willing to serve. In no case will a person be placed on the ballot who is not qualified or not willing to

serve in an elected position. The Committee shall report the nominees for each office to the President and Secretary at least sixty (60) days prior to the election to allow for promulgation to the Class via e-mail, *SHIPMATE*, and the Class website.

### **Section 6.2 Elections.**

The Class Officers shall be elected in accordance with these Bylaws by the Classmates as hereinafter provided. A plurality of all votes cast shall be sufficient for election. The term of office shall commence on the next January 1<sup>st</sup> (i.e., New Year's Day) following the year of the election. The specific method of casting ballots for the election shall be determined by the Executive Board. Electronic voting, by secure means, with a provision for manual voting by postal mail, shall normally be conducted.

### **Section 6.3 Ballots.**

The ballot for Class Officers shall contain the names of all nominees in alphabetical order according to office, without distinction as to the method of nomination. The ballot shall also contain space for write-in candidates. Any write-in candidate who receives a plurality of the vote must be eligible for that office and must be willing to serve; if he is not eligible or not willing to serve, those votes shall be eliminated and the winner shall be determined as whomever has the plurality of the remaining ballots.

### **Section 6.4 Voting.**

Ballots shall normally be cast by Classmates during a four-week period within six months of the scheduled Quinquennial Meeting of the Class. The Nominations/Election Committee shall ensure strict confidentiality of all votes. The Committee members shall normally be designated to receive all ballots via electronic or postal mail during this period and no later than one month preceding the date set for the Quinquennial Meeting in the election year.

### **Section 6.5 Tallying.**

The Nominations/Election Committee will gather all ballots before the Quinquennial Meeting and count the ballots. The Secretary shall provide the Committee with a current Class listing to verify membership in the Class. The validity of any ballot will be determined solely by the Committee. The Chairman shall report the results as soon as possible to the President, Vice President, and Secretary. The President shall announce the results of the election at the Class Meeting as the first agenda item under New Business.

### **Section 6.6 Plurality.**

A plurality of votes cast shall elect. In the case of a tie vote, the election shall be decided by a plurality of votes cast by Classmates in attendance at that year's annual Class Meeting.

## **Article VII**

### ***Voting Subjects***

#### **Section 7.1 Membership Vote.**

The Executive Board shall submit to a vote of Classmates such propositions as it deems necessary and shall submit to a vote of Classmates all propositions required under the provisions of these Bylaws.

#### **Section 7.2 Mandatory Voting Subjects.**

The Executive Board shall submit to a vote of Classmates the subject matters of any petition signed by no fewer than twenty-five (25) Classmates, if such petition requests such action. Petitions requiring a vote will normally be voted upon at the next Class Meeting, provided that the subject matter does not in the opinion of the petitioners require immediate action, in which case the subject matter of the petition shall be submitted to Classmates for vote by e-mail.

#### **Section 7.3 Vote to Carry Proposition.**

Except as otherwise provided in these Bylaws, an e-mail vote of the Classmates shall be determined in accordance with the plurality of those responding.

## **Article VIII**

### ***Class Organization Funds***

#### **Section 8.1 Method of Appropriation of Funds.**

A majority vote of the Executive Board shall be required to appropriate funds for the Class; provided, however, that no funds shall be appropriated where the method of appropriation is contrary to the purposes of the Class as set forth in the Class Charter.

#### **Section 8.2 Expenditures.**

Funds for normal operating expenditures other than investments may be authorized by a majority vote of the Executive Board. Expenditure of invested funds may be made by a three-fourths concurring vote of the Executive Board. The expenditure of any fund belonging to the Class Organization shall not be in derogation of the purposes of the Class as set forth in the Class Charter; provided, however, that nothing herein contained shall prevent the payment in good faith of remuneration to any Classmate or other person for services actually performed for the Class, where such services are of a nature that normally require remuneration.

## **Article IX**

### ***Amending Processes***

#### **Section 9.1 Amendment of the Class Charter.**

The Class Charter may be amended as determined by a vote of two-thirds of the responding Classmates. Amendments may be proposed by the Executive Board or upon a petition to the Executive Board signed by at least five percent (5%) of living Classmates. Such petition shall set forth the particular portion of the Charter to be amended. The Executive Board shall cause the subject matter of the petition to be posted on the Class website and shall, to the extent practicable, notify each member by electronic mail for the purposes of voting on the proposal within sixty (60) days after receipt of the petition. In the event a Class Meeting occurs prior to the posting of the petition, the Board may, in the alternative, present the proposed amendment to a vote of Classmates present at the meeting, and upon a concurring vote of two-thirds of those present, the amendment shall be adopted; provided, however, that each petitioner, whether present or not, shall be counted as voting for the amendment in determining the issue.

#### **Section 9.2 Amendment of the Class Bylaws.**

In the same manner as with the Class Charter, the Class Bylaws may be amended as determined by a vote of two-thirds of the responding Classmates. Amendments may be proposed by the Executive Board or upon a petition to the Executive Board signed by at least five percent (5%) of living Classmates. Such petition shall set forth the particular portion of the Bylaws to be amended. The Executive Board shall cause the subject matter of the petition to be posted on the Class website and shall, to the extent practicable, notify each member by electronic mail for the purposes of voting on the proposal within sixty (60) days after receipt of the petition. In the event a Class Meeting occurs prior to the posting of the petition, the Board may, in the alternative, present the proposed amendment to a vote of Classmates present at the meeting, and upon a concurring vote of two-thirds of those present, the amendment shall be adopted; provided, however, that each petitioner, whether present or not, shall be counted as voting for the amendment in determining the issue.

## **Article X**

### ***Dissolution***

#### **Section 10.1**

This organization is dissolved upon the occasion of the death of the last living member of the USNA Class of 1975. Upon dissolution of this organization, assets shall be distributed to the USNA Foundation if named organization is exempt under IRS section 501(c)(3) at the time of dissolution. If the USNA Foundation is not exempt under section 501(c)(3) then upon dissolution all remaining assets will be distributed to the Navy & Marine Corps Relief Society (N&MCRS). If the N&MCRS no longer exists, then the remaining assets shall be distributed to the U.S. Department of the Navy for use in assisting Navy & Marine Corps families in need.

## Article XI

### *Enactment*

#### Section 11.1

These revised Bylaws shall supersede the previously effective Bylaws (adopted in 1975, but became obsolete when the USNA Alumni Association & Foundation were reorganized) and will be considered as adopted and in effect as of the next business day after approved by a plurality of Classmates participating in a vote to be held prior to 1 September 2020.

USNA Class of 1975  
President

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

USNA Class of 1975  
Secretary

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **Appendix A: Conflict of Interest Policy**

### **I. Purpose**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (USNA Class of 1975) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **II. Definitions**

#### **1. Interested Person.**

Any class officer, member-at-large or member of a committee with Executive Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### **2. Financial Interest.**

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

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

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

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

### **III. Procedures**

#### **1. Duty to Disclose.**

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

## 2. Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he shall leave the Executive Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

## 3. Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the Executive Board or committee meeting, but after the presentation, he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chair of the Executive Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Executive Board or committee shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Executive 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.
- e. If it is determined that a Class Officer has a conflict of interest regarding an issue before the Executive Board, that officer shall be recused on that issue from further discussion or votes.

## 4. Violations of the Conflicts of Interest Policy.

- a. If the Executive Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Executive 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.

## IV. Records of Proceedings

The minutes of the Executive 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 Executive 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.

## V. COI Statements

Each Class Officer upon election or upon re-election, and each member of a committee with Executive Board delegated powers when appointed shall 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 federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.