

**By-Laws  
Of Canajoharie  
Library and Art  
Gallery**

**An Educational  
Corporation  
Incorporated under the Laws of  
The State of New York  
Revisions approved by  
Board of Trustees June 10, 2020**

**Table of Contents**

<b><u>Headings</u></b>	<b><u>Page</u></b>
Article I	Name, Territory, and Office .....6
Article II	Definitions and Purpose.....6
Article III	Membership (Non-Membership Corporation).....6
Article IV	Self-Perpetuating Board.....6
Article V	Board of Trustees.....6
	1. General Management
	2. Number
	3. Qualifications
	4. Compensation
	4.1 Compensation
	4.1 Reimbursement
	4.3 Loans
	5. Selection Procedure, Terms, Newly Created Trusteeships & Vacancies
	5.1 Selection Procedure
	5.2 Terms of Office
	5.3 Newly Created Trusteeships
	5.4 Vacancies
	6. Resignation
	7. Suspension and Removal
	7.1 Suspension
	7.2 Removal
	8. Meetings
	8.1 Annual Meetings
	8.2 Regular Meetings
	8.3 Special Meetings
	9. Waivers of Notice
	10. Place of Meetings
	11. Quorum
	12. Adjournment
	13. Organization
	13.1 Chairperson
	13.2 Secretary

14.	Action by the Board of Trustees	
14.1	Action Defined	
14.2	Written Unanimous Consent	
14.3	Electronic Communication	
15.	Voting	
16.	Attendance	
17.	Annual Report	
Article VI.	Officers of the Board.....	10
1.	Officers, Election, Terms	
2.	Removal, Resignation	
3.	Duties	
3.1	President	
3.2	Vice President	
3.3	Secretary	
3.4	Treasurer	
3.5	Executive Director (or CEO/Professional Manager)	
Article VII.	Committees.....	15
1.	Appointments	
1.1	Committees of the Board	
1.2	Committees of the Corporation	
2.	Executive Committee	
3.	Audit & Finance Committee	
3.1.	Investment Committee	
3.2.	Board of Advisors/Advisory Committee	
3.3.	Whistleblower Protection & Reporting Committee	
4.	Collections Committee	
5.	Conflict of Interest Committee	
6.	Board Development Committee	
6.1	Fundraising and Marketing Committee	
Article VIII.	Financial Policies .....	15
1.	Contracts	
2.	Loans	
3.	Bank Checks & Drafts	
4.	Bank Deposits	
5.	Gifts	

	6.	Fiscal Year	
Article IX		Audit.....	16
Article X.		Construction .....	16
Article XI.		Executive Compensation.....	16
	1.	Review and Analysis	
	2.	Total Compensation	
Article XII.		Fiduciary Duties .....	17
	1.	Duty of Care	
	2.	Duty of Loyalty	
	3.	Duty of Obedience	
Article XIII.		Indemnification .....	17
	1.	Authorized Indemnification	
	2.	Prohibited Indemnification	
	3.	Advancement of Expenses	
	4.	Indemnification of Others	
	5.	Determination of Indemnification	
	6.	Binding Effect	
	7.	Insurance	
	8.	Nonexclusive Rights	
Article XIV.		Indemnification of Employees.....	19
	1.	Actions	
	2.	Nonexclusively	
Article XV.		Anti-Discrimination & Harassment .....	19
Article XVI.		Rules of Order .....	19
Article XVII.		Fundamental Corporate Changes .....	20
	1.	By-Law Amendments	
	2.	Certificate of Incorporation	
	2.1	Amendment	
	2.2	Construction/Governing Effect	
	3.	Merger or Consolidation	
	4.	Dissolution	
	5.	Lease and Sale of Real Property	
Article XVIII.		The Board, Executive Director & General Counsel Relationship .....	21
Article XIX		Statutory Compliance.....	21

1.	Definitions	
2.	Conflicts of Interest Protocols	
3.	Conflicts of Interest Policy	
4.	Potential Conflicts Disclosure Statement	
5.	Whistleblower Protection Policy	
6.	Audit Oversight Policy	
Article XX.	Review of By-Laws	23
Appendix “A”		24
Appendix “B”		26
Appendix “C”		28
Appendix “D”		34
Appendix “E”		37

## **ARTICLE I. NAME, TERRITORY AND OFFICE**

Section 1. Name. The Corporation is known as Canajoharie Library and Art Gallery and is an Educational Corporation as set forth in the Education Law of New York State.

Section 2. Territory. The Corporation shall conduct activities primarily in New York, subject to changes by the aforementioned Corporation.

Section 3. Office. The principal office of the Corporation shall be located in the Village of Canajoharie, County of Montgomery, State of New York. This office shall direct Corporation activities and be the depository for all Corporation records. The Corporation may also have offices at such other places within the state as the board may from time to time determine or the business of the Corporation may require.

## **ARTICLE II. DEFINITIONS AND PURPOSE**

Section 1. Definitions. The Definitions contained in Appendix A of these By-Laws are specifically incorporated by reference herein as referenced, and the Board of Trustee's attention is directed to Appendix A.

## **ARTICLE III. MEMBERSHIP (NON-MEMBERSHIP CORPORATION)**

The corporation has no Members, and as such the Board of Trustees is a self-perpetuating Board.

## **ARTICLE IV. SELF-PERPETUATING BOARD**

The corporation has no Members, and as such the Board of Trustees is a self-perpetuating Board.

## **ARTICLE V. BOARD OF TRUSTEES**

Section 1. General Management. The general management of the affairs of this Corporation shall be vested in a Board of Trustees. The Board of Trustees shall have control of the property of the Corporation and shall determine its policies with the advice of its various committees. It shall have power to employ necessary staff and other help, authorize expenditures and take all necessary and proper steps to carry out the purposes of this Corporation and to promote its best interest.

Section 2. Number. The Board of Trustees shall consist of not less than five (5) nor more than eleven (11) members, as set from time to time by the Board of Trustees, and no decrease in the number of Trustees shall shorten the term of any incumbent Trustee

Section 3. Qualifications. Each member of the Board of Trustees must be at least eighteen (18) years of age.

Section 4. Compensation, Reimbursement, and Loans

4.1. Compensation. No Trustee, Officer or member of a Committee shall receive compensation for his/her services. The Board of Trustees shall be empowered to provide reasonable compensation, together with reimbursement for reasonably incurred expenses, for offices or positions not afforded voting privileges for purposes of corporate decision-making, such as the position of Executive Director.

4.2. Reimbursement. Notwithstanding the mandates of this Article, at the discretion of the Board of Trustees, individual Trustees, Officers, members of Committees and employees may be reimbursed in an amount determined by the Board for expenses reasonably incurred by them in the performance of their duties.

4.3. Loans. No loans shall be made by the Corporation to its Trustees, Officers, and members of Committees or affiliates, if any, or to any other corporation, firm, association or other entity in which one or more of its Trustees, Officers or committee members are Trustees or Officers or hold a substantial financial interest, except as may be permitted by law.

#### Section 5. Selection Procedure, Terms, Newly Created Trusteeships & Vacancies

5.1. Selection Procedure. At each Annual Meeting, the Board of Trustees, by a majority of the votes cast, shall elect new Trustees to replace those whose terms are expiring to terms of four (4) years.

5.2. Terms of Office. The term of office for a Board Trustee shall be four (4) years except as otherwise provided in these By-Laws. The terms of office for all Trustees shall begin on the day of their election and shall conclude upon the day of the Annual Meeting at the end of their Term. The Trustees shall be divided into four Classes. Trustees shall be apportioned among the Classes as to make all Classes as nearly equal in number as possible. To effectuate this provision, a Trustee may be elected for less than four (4) years or, with the Trustee's permission, a Trustee's term may be shortened. The term limit for Trustees is two consecutive four (4) year terms after which they cannot serve on the Board for at least one year. During this hiatus, they may serve as a non-voting member of committees as indicated.

5.3. Newly Created Trusteeships. Newly created Trusteeships resulting from an increase in the number of Trustees shall be filled by vote of a majority of the entire Board of Trustees then in office, regardless of their number. Trustees elected to fill newly created Trusteeships shall hold office in accordance with their classification.

5.4. Vacancies. A vacancy in office shall arise upon the death, resignation or removal of a Trustee. Except in the cases of the office of Chair, a vacancy on the Board of Trustees occurring in the interim between annual meetings may be filled by an interim successor appointed by the Board of Trustees. At the next Annual Meeting following the vacancy, the Board may elect, by a vote of a majority of Trustees, a permanent successor for the vacated position.

Section 6. Resignation. A Trustee may resign at any time by giving written notice, by personal delivery, regular mail, electronic mail or facsimile, to the Board of Trustees, the Chair or the Secretary of the Corporation. The resignation shall take effect upon receipt by any means described above thereof by the Board of Trustees, the Chair or the Secretary, and the acceptance of the resignation shall not be necessary to make it effective.

#### Section 7. Suspension & Removal.

7.1. Suspension. Any or all of the members of the Board of Trustees may be suspended for cause by a two-thirds (2/3rds) majority vote of the entire Board of Trustees or the majority vote of the Trustees on the Board at any Annual Meeting, Regular Meeting or Special Meeting of the Board called for that purpose, provided there is a quorum for the meeting at which the action is taken. The period of suspension can last only until such time as the next Annual Meeting. At any meeting where a vote is to be taken to suspend a member of the Board, the Trustee in question may attend and shall be given a reasonable opportunity argue in his/her defense.

7.2. Removal. Any or all of the members of the Board of Trustees may be removed with or without cause by a two-thirds (2/3) majority vote of the entire Board of Trustees at any Annual Meeting or Special Meeting of the Board called for that purpose, provided there is a quorum for the meeting at which the action is taken. At any meeting

where a vote is to be taken to remove a member of the Board, the Trustee in question may attend and shall be given a reasonable opportunity argue in his/her defense.

## Section 8. Meetings.

8.1. Annual Meetings. The Board of Trustees shall convene an Annual Meeting in (January) of each year for the purpose of electing Trustees and the transacting such other and further business of the Corporation as may be required. Notice of the Annual Meeting need not be given. The Board and Management will present a written annual report to the community and other stakeholders each year on or before May 1st.

8.2. Regular Meetings. The Board of Trustees shall endeavor to convene Regular Meetings at least six (6) times per year. Regular Meetings of the Board of Trustees may be held, with, or without, notice at such times as may be fixed from time to time by resolution of the Board of Trustees.

8.3 Special Meetings. Special Meetings of the Board of Trustees shall be held whenever called by the Chair, the Secretary, or any three (3) Trustees. Notice of Special Meetings shall be given personally or by telephone, electronic mail, facsimile or first class mail and shall state the purposes, time and place of the meeting. If notice is given personally or by telephone it shall be given not less than three (3) days before the meeting; if it is given by electronic mail, facsimile or first class mail, it shall be given not less than five (5) days before the meeting.

Section 9. Waivers of Notice. Notice of a meeting need not be given to any Trustees who submits a signed waiver of notice, by personal delivery, regular mail, electronic mail or facsimile, to the Board of Trustees, the President or the Secretary of the Corporation, whether before or after the meeting or who attends the meeting without protesting prior thereto or at its commencement the lack of notice.

Section 10. Place of Meetings. The Board of Trustees may hold its meetings at the principal office of the Corporation, or at such place or places within or without the State of New York as the Board of Trustees may from time to time by resolution determine.

Section 11. Quorum. A quorum shall be required for the legal and proper conduct of the business of the Board of Trustees. A majority of the total number of members of the Board of Trustees then in existence shall constitute a quorum for the transaction of any business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any Trustees.

Section 12. Adjournment. A majority of Trustees present at a meeting of the Board of Trustees, whether or not a quorum is present, may adjourn any meeting to another time and place. Reasonable notice, given , by personal delivery, regular mail, electronic mail or facsimile, to the Board of Trustees, the President or the Secretary of the Corporation, of the adjournment shall be given to all Trustees who were absent at the time of the adjournment, and unless the purposes, time and place of the meeting are announced at the adjourned meeting, to the other Trustees.

## Section 13. Organization.

13.1. Chairperson. At all meetings of the Board of Trustees, the President, or, in his/her absence, the Vice-President or, in his/her absence, another Trustee chosen by the Board shall preside.

13.2. Secretary. At all meetings of the Board of Trustees, the Secretary, or, in his/her absence, any Assistant Secretary or, in his/her absence, another Trustee chosen by the Board shall act as secretary of the meeting.

## Section 14. Action by the Board of Trustees.



14.1. Action Defined. Except as otherwise provided by law or in these By-Laws, an "Action," or "Act," of the Board of Trustees shall mean an action at a meeting of the Board authorized by vote of a majority of the Trustees present at the time of the vote, provided a sufficient quorum is present. The purchase sale, mortgage or lease of real property shall only be authorized by vote of a two-thirds (2/3) majority of the Trustees present at the time of the vote, provided a sufficient quorum is present. The sale, lease, exchange or other disposition of all, or substantially all, the assets of the Corporation shall only be authorized by vote of a two-thirds (2/3) majority of the Trustees present at the time of the vote, provided a sufficient quorum is present, and a court of competent jurisdiction in the county where the Corporation maintains its principal place of business, if required by law.

14.2. Written Unanimous Consent. Any action required or permitted to be taken by the Board of Trustees or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing delivered by regular mail, electronic mail or facsimile, to the Secretary of the Corporation to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

14.3. Electronic Communication. Any one or more members of the Board of Trustees or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone, electronic video screen communication equipment or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 15. Voting. Each member of the Board of Trustees shall have one vote.

Section 16. Attendance. A member of the Board of Trustees who has missed three (3) consecutive meetings without reasonable cause may be asked to resign. After the second meeting, the Secretary may deliver a letter to the subject Board member, by personal delivery, regular mail, electronic mail or facsimile, to the Board of Trustees, the President or the Secretary of the Corporation, informing her/him that if s/he does not attend the third meeting, a motion to this effect will be made at the fourth meeting. S/he may attend this fourth meeting to argue in his/her defense.

Section 17. Annual Report. The Board of Trustees shall present at the Annual Meeting, or at a time convenient to the Board of Trustees, a report certified by a firm of independent public accountants selected by the Board, showing in appropriate detail the following:

- i. the assets and liabilities, including the trust funds, if any, of the Corporation as of the end of the twelve-month fiscal period terminating not more than six months prior to said meeting;
- ii. the principal changes in assets and liabilities, including trust funds, if any, during said fiscal period;
- iii. the annual balance sheet of the Corporation, a Profit and Loss Statement and such financial records that will explain the same;
- iv. the revenue or receipts of the Corporation both unrestricted and restricted to particular purposes, during said fiscal period, and;
- v. the expenses or disbursements of the Corporation, both general and restricted to particular purposes, during said fiscal period.

This report shall be filed with the records of this Corporation and a copy thereof entered in the minutes of the proceedings of the Annual Meeting

## ARTICLE VI. OFFICERS OF THE BOARD

Section 1. Officers, Election, Term. The Board shall elect by majority vote a President, Vice President, Secretary and Treasurer, and such other officers as it may determine, who shall be given such duties, powers and functions as hereinafter provided. None of these Officers may be current or former employees of the Corporation for the past three (3) years or their relatives. The Officers of the Corporation shall only be Independent Trustees of the Corporation as defined above. Officers shall be elected to hold office for one year from the date of election. Each officer shall hold office for the term for which he or she is elected and until his or her successor has been elected. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Removal, Resignation. Officers serve at the discretion of the Board of Trustees. Any officer elected by the board may be removed by the Board. An Officer may resign at any time by giving written notice, by personal delivery, regular mail, electronic mail or facsimile, to the Board of Trustees, the President or the Secretary of the Corporation. The resignation shall take effect upon receipt by any means described above thereof by the Board of Trustees, the President or the Secretary, and the acceptance of the resignation shall not be necessary to make it effective. In the event of the death, resignation or removal of an officer, the president of the board shall appoint an acting successor to fill the unexpired term. This appointment shall be confirmed or disapproved by the full board within the next two regular meetings.

### Section 3. Duties

3.1. President. The President shall be the principal executive officer of the Corporation and shall not be a current employee or relative of an employee, and in general supervise and control all of the business and affairs of the Corporation on behalf of the Board of Trustees. He/she shall preside at all meetings of the members and of the Board of Trustees. The President, the Secretary, the Treasurer or any other proper officer of the Corporation authorized by the Board of Trustees may sign any deeds, mortgages, bonds, contracts or other instruments that the Board of Trustees has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these by-laws or by statute to some other Officer or agency of the Corporation. In general the President shall be the spokesperson for the Board of Trustees and shall perform all duties as may be prescribed by the Board of Trustees from time to time.

3.2. Vice President. In the absence of the President, or in the event of his/her inability or refusal to act, the Vice President shall perform the duties of the President, and shall not be a current employee or relative of an employee, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him/her by the President and/or the Board of Trustees. In addition to these other duties as assigned, the Vice-President shall perform receive any and all Confidential Reports of the Unidentified Whistleblower made by any Whistleblowing Trustee or Officer (or where the By-Laws list the Key Employee, they should be added here too) perform the following:

3.2.1 Maintain the Confidentiality of the Whistleblowing Trustees and Officers (and where the By-Laws list the Key Employees, they should be added here too), by not revealing the complaint or the underlying components of the complaint to other employees, except in furtherance of the Vice-President or General Counsel's Investigation;

3.2.2 Investigate the same within a thirty (30) day period by reviewing the policy and procedure of the Corporation, making particular note of the alleged or suspected violation or omission or failure to follow the same;

3.2.3 Interview the Whistleblowing Trustees and Officers (and where the By-Laws list the Key Employees, they should be added here too) in Confidence, only interviewing other members of the Board of Trustees of Committee members upon their permission;

3.2.4 Produce a Report of the same to the Executive or Finance Committee together with recommendations on a solution to the complained-of breach of policy of the Corporation or sufficient consequence, including the Removal of the Trustee or Officer for breach of this Article, if any, and a timeline for implementation of the same for action by either the Executive or Finance Committee, with a Report to the entire Board of Trustees at its very next regularly scheduled meeting or a Special Meeting called for the particular purpose of receiving the Confidential Report of the Unidentified Whistleblower made by the Whistleblower – Employee Protection Officer or General Counsel, without identifying the Whistleblowing Trustees and Officers (and where the By-Laws list the Key Employees, they should be added here too) all of which shall be documented in the minutes of the Corporation.

3.3. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Trustees in one or more books provided for that purpose, see that all notices are duly given, by personal delivery, regular mail, electronic mail or facsimile, to the Board of Trustees, the Chair or the Secretary of the Corporation in accordance with the provisions of these by-laws or as required by law, and be custodian of the corporate records of the Corporation. The Secretary shall keep a register of the post office address and electronic addresses of each member of the Board of Trustees and each Officer and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President and/or the Board of Trustees. The Secretary shall notify members of their election to office or their appointment to committees, by personal delivery, regular mail, electronic mail or facsimile, to the Board of Trustees, the Chair or the Secretary of the Corporation, and keep a record of the transactions of the Corporation and of the Executive Board. It shall be the duty of the Secretary to see to it that all newly-received and annually-submitted Trustee interest disclosure statements and any case-specific Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Chair of the Audit Committee or, if there is no Audit Committee, to the President of the Board of Trustees, in an effort to assure that they are properly considered for auditing purposes. The Secretary shall perform such other duties as from time to time may be assigned to him/her by the President- Chair and/or the Board of Trustees.

3.3.1 Investigate the Conflict of Interest within a thirty (30) day period by reviewing the policy and procedure of the Corporation, making particular note of the alleged or suspected conflict or Related Party Transaction;

3.3.2 Produce a Report of the same to the Finance Committee together with recommendations on a solution to the complained-of breach of policy of the Corporation or sufficient consequence, including the Removal of the Trustee or Officer for breach of this Article, if any, and a timeline for implementation of the same for action by the Finance Committee, with a Report to the entire Board of Trustees at its very next regularly scheduled meeting or a Special Meeting called for the particular purpose of receiving the Conflict of Interest Report.

3.4 Treasurer. The Treasurer shall be responsible for the supervision, on behalf of the Board of Trustees, of all monies received or expended by the by the Corporation and shall keep the board informed on all pertinent financial matters. The Treasurer shall provide a brief financial report at all regular meetings of the Board of Trustees in a format prescribed by the Board. Treasurer shall, annually, draft and present a detailed report to the

Board which shall minimally include total receivables, gross revenues, profit and loss, liabilities and other such information as to give a clear and accurate picture of the organization's fiscal condition to the Board of Trustees. The Treasurer shall serve as the board's liaison with the independent auditor and shall serve as a member of the Audit and Finance Committee. In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Trustees.

3.5. Executive Director. The Board of Trustees may employ an Executive Director (CEO/Professional Manager) who shall have general charge, subject to the overall control and direction of the Board, oversight and direction of the affairs and business of the Corporation, and sole responsibility for the employment and discharge of staff in accordance with Board established policies. The Executive Director shall be the principal administrative officer of the Corporation, charged with the duties of effectuating the purposes of the Corporation, carrying out the directives of the Board of Trustees in performing any and all functions necessary and proper to ensure that the policies, objectives and aims of the Corporation are carried out and shall sit an ex officio non-voting Member of the Board of Trustees.

Alternately, the following alternative language includes charges for three Vice Chairs, CEO, CFO, COO, etc.:

## **ARTICLE VII. COMMITTEES**

### Section 1. Appointments.

1.1. Committees of the Board. The President shall, subject to approval of the Board, appoint the following Committees of the Board – Executive Committee, Finance Committee, Conflict of Interest Committee and Whistleblower Protection Committee, all of which have the power to bind the Board within statutory limitations, and through the Board the Corporation and all of which are comprised solely of at least three (3) Trustees. Each may have such sub-committees as they from time-to-time require to maintain their charges and responsibilities.

1.2. Committees of the Corporation. The President shall, subject to approval of the Board, appoint the following Committees of the Corporation, Collection Committee, Board Development, Fundraising and Marketing Committee and any Ad Hoc committee created and appointed by the President with the consent of the Board of Trustees as needed for special purposes, all of which cannot bind the Board or the Corporation, making recommendations for action by the entire Board of Trustees from-time-to-time and all of which are comprised solely of at least three Trustees or non- Trustees. Each may have such sub-committees as they from time-to-time require to maintain their charges and responsibilities.

Section 2. Executive Committee. The Executive Committee shall be comprised of the elected Officers of the Corporation, to wit: President, Vice-President, Secretary and Treasurer, and chairs of all standing committees and each of these either individually or collectively shall have the right to convene a Special Meeting of the Corporation. Additional members of the Board of Trustees may be appointed to serve on the Committee at the discretion of the Board. The President shall serve as the Chair of the Executive Committee. The Executive Committee shall maintain surveillance of the business and affairs of the Corporation and shall be empowered to transact only such business as may be necessary between meetings of the Board of Trustees, unless authorized otherwise by the Board of Trustees. The Committee shall be responsible for overseeing the personnel affairs of the Corporation, including, but not limited to developing and reviewing personnel policies and evaluating, at least annually, the Corporation's Executive Director. The Executive Committee cannot, without specific authorization by the Board of Trustees, purchase real property, borrow money, amend the By-Laws, or hire or terminate the Executive Director. Meetings of the Committee may be called by the Chair or by any three (3) members of the Committee. The Committee shall submit a report of its actions at all regularly scheduled or special meetings of the board.

Section 3. Audit & Finance Committee. The Audit & Finance Committee shall be comprised of appointed members of the Board of Trustees; however, in no circumstances is the Independent Auditor, or an employee or relative of the Independent Auditor's firm to serve on the Committee. The Treasurer shall serve on the Committee but shall not chair the Committee. The Audit & Finance Committee shall be responsible for overseeing the audit, both internal & external, the fiscal affairs of the Corporation. The Committee shall develop a budget for approval by the Board of Trustees, propose policies governing the finances of the Corporation for adoption by the Board, review any and all audits of the Corporation or any of its programs or contracts performed, and shall respond in writing, subject to approval of the Board of Trustees, to such audits, including the management letter, stating any and all remedies to deficiencies or improvements in fiscal policies and procedures cited or recommended.

3.1. Investment Committee. The Investment Committee shall be a sub-committee of the Audit & Finance Committee responsible for ensuring all investments of the Corporation's capital for the purpose of gaining profitable returns that are prudently and responsibly managed in accordance with the restricted purposes of the funds and board approved policy. The Committee shall make recommendations to the Board of Trustees regarding the selection of a professional fund manager or firm and the Corporation's investment policies. The Committee shall monitor the performance of the investments, regularly evaluate the fund manager, and take such actions as provided in the policies and/or so directed by the Board. The Committee shall be comprised of at least three individuals, all of whom shall have no material conflict of interest.

3.2. In lieu of a Board of Advisors, an Advisory Committee.

*The Advisory Committee may be comprised of such individuals as the Board of Trustees or the Board Development Committee shall deem fit to serve thereon for either a particular duration for a particular project or occurrence or a formal term. These individuals shall be non-voting, ex-officio members of the Board of Trustees and shall have neither legal liability nor personal liability to the Corporation for their acts or omissions. Rather, they will serve in an Advisory capacity for their particular project or occurrence or for their formal term and shall assist the Board with the rendering of certain decisions, upon the latter's request. They shall not be counted for purposes of quorum, nor shall they vote. They shall not be present at Special Meetings of the Board of Trustees, and shall generally be invitees to all Regular Meetings of the Board of Trustees only.*

*'The Board of Advisors may not vote and is not authorized to act or conduct any business on behalf of the Corporation, whatsoever.'*

3.3. Whistleblower Protection & Reporting Committee. The Whistleblower Protection & Reporting Committee shall be comprised of at least three (3) appointed members of the Board of Trustees, all of whom are Independent Trustees as that term is defined in the Not-for-Profit Corporation Law of New York State. The Chair of the Committee shall be the Vice-President.

3.3.1 The Committees duties shall be to issue a recommendation to the Board of Trustees regarding a solution to the complained-of breach of policy of the Corporation that the Board of Trustees should take action on in conjunction with the Confidential Report of the Unidentified Whistleblower the [EITHER] Audit & Finance Committee or the Whistleblower – Employee Protection Committee will then, or;

3.3.2 Take appropriate action where there is sufficient consequence, as necessary, including the Removal of the Trustee or Officer for breach of this Article, or other governance or Board or Officer consequence, if any, and a timeline for implementation of the same for action, in

conjunction with the Confidential Report of the Unidentified Whistleblower the [EITHER] Audit & Finance Committee or the Whistleblower – Employee Protection Committee, and;

3.3.2.1 Where the deliberations of the [EITHER] Audit & Finance Committee or the Whistleblower – Employee Protection Committee are with regard to a sufficient consequence, if necessary, including the Removal of the Trustee or Officer for breach of this Article, or other governance or Board or Officer consequence, if any, this Committee of the Board will be acting to bind the Corporation to that action, that may result in elements of the Whistleblowing Trustee’s and Officer’s (and where the By-Laws list the Key Employees, they should be added here too) Report to be revealed, but in no matter whatsoever will the Whistleblowing Trustees and Officers (and where the By-Laws list the Key Employees, they should be added here too) be identified.

Section 4. Collections Committee. The Collections Committee shall be comprised of appointed members of the Board of Trustees in addition to other members of the public as determined by the Chair. The Collections Committee shall be responsible for overseeing the collections of the Corporation, its evaluation and its development, along with the delivery of adequate reports of said programming to the Board of Trustees regularly, or at their request. These evaluations shall be an integral part of budget development and will be provided to the Audit & Finance Committee along with the Board of Trustees.

Section 5. Conflict of Interest Committee. The Conflict of Interest Committee shall be comprised of at least three (3) appointed members of the Board of Trustees, all of whom are Independent Trustees. The Chair of the Committee shall be the Secretary.

5.1 The Committees duties shall be to issue a recommendation to the Board of Trustees regarding a solution to the complained-of conflict of interest or breach of policy of the Corporation that the Board of Trustees should take action on, or;

5.2 Take appropriate action where there is sufficient consequence, as necessary, including the Removal of the Trustees or Officer for breach of this Article, or other governance or Board or Officer consequence, if any, and a timeline for implementation of the same for action, in conjunction with the Conflict of Interest Committee, and;

5.2.1 Where the deliberations of the [EITHER] Audit & Finance Committee or the Conflict of Interest Committee are with regard to a sufficient consequence, if necessary, including the Removal of the Director or Officer for breach of this Article, or other governance or Board or Officer consequence, if any, this Committee of the Board will be acting to bind the Corporation to that action, that may result in elements of the conflicted Director’s and Officer’s (and where the By-Laws list the Key Employees, they should be added here too) Report to be revealed.

Section 6. Board Development Committee. The Board Development Committee is a Committee of the Corporation and shall consist of at least three (3) appointed members of the Board of Trustees, which shall not include officers of the Corporation, and may include other members of the public as determined by the Chair. The Committee shall be responsible for ensuring that the composition of the Board of Trustees accurately reflects the terms of Board and Committee members; monitoring board member participation and attendance; monitoring board member compliance with and signature of the annual Code of Ethics Pledge, Appendix B, regularly assessing the composition and function of the Board; recruiting and nominating Officers and Trustees; coordinating orientation for new Trustees and assuring the continued development and training of the Board; and monitoring board compliance with and making recommendations accordingly regarding loyalty, conflict of interest and ethical matters.

6.1. Fundraising and Marketing Committee. The Fundraising and Marketing Committee shall be a sub-committee of the Board Development Committee comprised of at least three (3) appointed members of the Board of Trustees in addition to other members of the public as determined by the President. The Fundraising and Marketing Committee shall be responsible for developing an integrated plan that coordinates the implementation of annual and long-term revenue generation goals, in conjunction with current operations and brand, while advising future operations and brand, in collaboration with the Executive Director. The Committee shall develop a multi-year plan to communicate and cultivate relationships with potential donors as well as ensure that the Executive Director is equipped with adequate corporate assets, including financial, staff and volunteer resources, while making recommendations to the Executive Director as to their successful deployment. This multi-year plan will seek to successfully achieve identified goals. The Fundraising and Marketing Committee will report regularly to the Board of Trustees and coordinate training and educational opportunities on their behalf.

### **ARTICLE VIII. FINANCIAL POLICIES**

Section 1. Contracts. The Board of Trustees, except as these By-Laws may otherwise provide, may authorize any Officer or Officers, agent or agents, in the name of the Corporation to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but unless so authorized by the Board of Trustees, or expressly authorized by these By-Laws, no Officers, agents or employees shall have the power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it financially liable in any amount for any purpose.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation.

Section 3. Bank Checks and Drafts. All bank checks and drafts and all other such orders for the payment of monies out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed on behalf of the Corporation 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 of Trustees. In the absence of other determination by the Board of Trustees, any such instruments shall be signed by the Treasurer, as appropriate, and countersigned by the President or Vice-President.

Section 4. Bank Deposits. All funds of the Corporation not otherwise employed shall be deposited from time-to-time to the credit of the Corporation in such banks, savings and loan associations, trust companies or other depositories as the Board of Trustees may select.

Section 5. Gifts. The Board of Trustees may accept on behalf of the Corporation any contribution, gift, bequest, or devise for any purpose of the Corporation.

Section 6. Fiscal Year. The fiscal year of the Corporation shall commence on the 1<sup>st</sup> day of January and conclude on the 31<sup>st</sup> day of December.

## **ARTICLE IX. AUDIT**

### Section 1. Annual Audit

- 1.1. The accounts of the Corporation shall be audited by an independent certified public accountant (“CPA”) who is not, nor is any member of his or her firm, an officer, board member, employee or volunteer of the Corporation or has an immediate family member who is. Said CPA, his or her firm, and any related entities shall perform only audit-related business, and no other business whatsoever, with the Corporation.

## **ARTICLE X. CONSTRUCTION**

If there is any conflict between the provisions of the Certificate of Incorporation and the By-Laws, provisions of the Certificate of Incorporation shall govern.

## **ARTICLE XI. EXECUTIVE COMPENSATION**

Section 1. Review and Analysis. At least annually the entire Board of Trustees, and or its Executive Committee shall engage in a compensation analysis of the Executive Director and any other Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State to run concurrently with that individuals annual performance evaluation.

This compensation analysis shall examine the following criteria to determine, on an annual basis, the reasonableness of Executive Compensation as it applies to this organization:

- i. The reasonableness of such compensation based on the services to be provided to organization;
- ii. That there is no relationship between the Corporation’s President or any other Board members or officers of organization and Executive Director other than once of employment and none of them are related as that term is defined within ;
- iii. That the Executive Director or Key Employee has met or exceeded the expectations of their job and brought value to the corporation, and has also provided significant contributions to the growth and development;
- iv. That no Board member is related to, or employed by the Executive Director or any entity in which the Executive Director has at least a 35% voting/controlling interest; and
- v. That no Board member has a material financial interest affected by reviewing the employee’s compensation.

Section 2. Total Compensation Determination. In a meeting where the Executive Compensation deliberation is being made without the Executive Director being present, the entire Board of Trustees or the Executive Committee will have described to it, in some form acceptable to the entire Board of Trustees or the Executive Committee, the total compensation of the Executive Director plus any changes that have been made throughout the year. The entire Board of Trustees or the Executive Committee will after due deliberation and discussion regarding the total compensation make a determination regarding whether the Executive Compensation is reasonable and whether sufficient, comparative information existed from like or similar entities to conclude that the total compensation of the Executive



Director or Key Employee is reasonable. The Resolution regarding Compensation is attached hereto and made a part hereof in Appendix C.

## **ARTICLE XII. FIDUCIARY DUTIES**

Section 1. Duty of Care. All Trustees and Officers shall exercise the same standard of care that a reasonable person, with similar abilities, acumen & sensibilities, would exercise under similar circumstances at all times. Each Trustee and Officer shall endeavor to understand all, or substantially, all of the consequences of his/her actions and/or the omissions.

Section 2. Duty of Loyalty. No Trustee or Officer shall be permitted to engage in, or condone, any conduct that is disloyal, disruptive, damaging or competes with the Corporation. No Trustee or Officer shall be permitted to take any action, or establish any interest, that compromises his/her ability to represent the Corporation's best interest. All Trustees and Officers are expected to represent the interests of this Corporation at all times while serving as members of the Board of Trustees.

Section 3. Duty of Obedience. No Trustee or Officer shall be permitted to disobey an authorized decision of the Board of Trustees and/or the Membership, if applicable.

## **ARTICLE XIII. INDEMNIFICATION**

Section 1. Authorized Indemnification. Unless clearly prohibited by law or these By-Laws, this Corporation shall indemnify any person (an "Indemnified Person"), including any Trustee, Officer or Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State, made or threatened to be made a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by the Corporation, by reason of the fact that s/he (or her/his Testator or Administrator, if then deceased), whether before or after adoption of this Article: (a) is or was a Trustee, Officer or Key Employee of the Corporation, as that term is defined by the Not-for-Profit Corporation Law of New York State, or; (b) is serving or served, in any capacity, including Committees of the Board and Committees of the Corporation, at the request of the Corporation, as a Trustee, Officer or Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses, including attorneys' fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding.

Section 2. Prohibited Indemnification. The Corporation shall not indemnify any person if a judgment, or other final adjudication, adverse to any Indemnified Person, including any Trustee, Officer or Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State, establishes, or the Board of Trustees in good faith, or a Committee of the Board thereof, determines, that such person's acts were committed in bad faith or were the result of willful or intentional conduct, active and deliberate dishonesty and were material to the cause of action so adjudicated or that s/he personally garnered any financial profit or other advantage to which s/he was not legally entitled.

Section 3. Advancement of Expenses. The Corporation shall, on request of any Indemnified Person, including any Trustee, Officer or Key Employee as these terms are defined by the Not-for-Profit Corporation Law of New York State, who is or may be entitled to be indemnified by the Corporation, pay or promptly reimburse an Indemnified Person's reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified

Person, including any Trustee, Officer or Key Employee as these terms are defined by the Not-for-Profit Corporation Law of New York State, makes a binding, written commitment to repay the Corporation, with interest, for any amount advanced for which it is ultimately determined that s/he is not entitled to be indemnified under the law or these By-Laws. An Indemnified Person, including any Trustee, Officer or Key Employee as these terms are defined by the Not-for-Profit Corporation Law of New York State, shall cooperate in good faith with any request by the Corporation that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.

Section 4. Indemnification of Others. Unless clearly prohibited by law or these By-Laws, the Board of Trustees may approve indemnification by the Corporation, as set forth in Section 1 of this Article, or advancement of expenses as set forth in Section 3 of this Article, to a person (or her/his Testator or Administrator, if then deceased) who is or was employed by the Corporation or who is or was a volunteer for the Corporation, especially Key Employees as that term is defined by the Not-for-Profit Corporation Law of New York State, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 5. Determination of Indemnification. Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court, the Board of Trustees, or a Committee of the Board thereof, shall, upon written request by an Indemnified Person, including any Trustee, Officer or Key Employee as these terms are defined by the Not-for-Profit Corporation Law of New York State, determine whether and to what extent indemnification is permitted pursuant to these By-Laws. Before indemnification can occur, the Board of Trustees, or a Committee of the Board thereof, must expressly find that such indemnification will not violate the provisions of Section 2 of this Article. Only Independent Trustees, as that term is defined by the Not-for-Profit Corporation Law of New York State, without a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of such Independent Trustees, as that term is defined by the Not-for-Profit Corporation Law of New York State, is not obtainable, the Board of Trustees, or a Committee of the Board thereof, shall act only after receiving the opinion in writing of independent legal counsel or the Corporation's General Counsel, that indemnification is proper in the circumstances under then applicable law and these By-Laws.

Section 6. Binding Effect. Any person entitled to indemnification under these By-Laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these By-Laws with respect to any event, action or omission occurring prior to the date of such amendment.

Section 7. Insurance. The Corporation is required to purchase adequate Directors and Officers ("D & O") liability insurance. To the extent permitted by law, such insurance shall insure the Corporation for any obligation it incurs as a result of this Article, or operation of law, and it may insure directly the Trustees, Officers, Key Employees, as these terms are defined by the Not-for-Profit Corporation Law of New York State or volunteers of the Corporation for liabilities against which they are not entitled to indemnification under this Article, as well as for liabilities against which they are entitled or permitted to be indemnified by the Corporation.

Section 8. Nonexclusive Rights. The provisions of this Article shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board of Trustees, or a Committee of the Board thereof, is authorized to enter into agreements on behalf of the Corporation with any Director, Officer, Key Employee, as these terms are defined by the Not-for-Profit Corporation Law of New York State, or volunteer to provide them

rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article, subject in all cases to the limitations of Section 2 of this Article.

#### **ARTICLE XIV. INDEMNIFICATION OF EMPLOYEES**

Section 1. Actions. The Corporation shall indemnify any and all Key Employees, as that term is defined by the Not-for-Profit Corporation Law of New York State, and such other employees of the Corporation, as the Board of Trustees, or a Committee of the Board thereof, determines against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, in connection with any claim asserted against the employee, or Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State, by court action, or otherwise, by reason of the fact that such employee, or Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State, acted in good faith for a purpose which he/she reasonably believed to be in the best interest of the Corporation and, in criminal actions of proceedings, in addition, had no reasonable cause to believe that his/her conduct was unlawful.

Section 2. Nonexclusivity. Section 1 of this article shall not be exclusive but shall include, by implication, any and all rights and remedies available to the Corporation and its employees, or Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State, by statute or otherwise, including but not limited to the purchase and maintenance of insurance to fund the aforementioned indemnification pursuant to the Not-for-Profit Corporation Law.

#### **ARTICLE XV. ANTI-DISCRIMINATION & HARASSMENT**

Discrimination or harassment of any kind is not productive and will not be tolerated by this Corporation. Any individual bound by these by-laws who is subject to unfair treatment, inappropriate conduct or abusive behavior relating to race, ethnicity, national origin, religion, age, disability, predisposing genetic characteristic, pregnancy, sex (including gender expression), sexual orientation, marital status, military/veteran status, political/union affiliation, prior arrests/convictions (unless otherwise precluded by applicable statute and/or regulation) or any other classification protected by local, state and/or federal law or who experiences inappropriate physical touching or suggestive language is encouraged to report it immediately to the President or Vice-President. Any individual bound by these By-Laws who is aware of such unfair treatment, inappropriate conduct, abusive behavior, inappropriate physical touching or suggestive language must report such activity immediately or be subject to remonstrance by the Board of Trustees, which may include removal from office, where appropriate. Appropriate policies concerning workplace discrimination and harassment will be reflected in the personnel procedures and program procedures promulgated by the Corporation. However, nothing in this Article will bind the staff of the Corporation, who will instead be covered by the procedures contained in their personnel policies and program procedures.

#### **ARTICLE XVI. RULES OF ORDER**

In all matters of parliamentary procedure not covered or contradicted by these by-laws, the Laws of the State of New York, in particular the Not-for-Profit Corporation Law, the rules and regulations of the State of New York as codified in the New York Code of Rules and Regulations (NYCRR), the Internal Revenue Service Code, and the Income Tax Regulations promulgated there under, and by the contracts entered into by the Corporation with government, foundation or other funding sources, Roberts Rules of Order, newly revised, shall be used as a guideline in answering all questions of proper parliamentary procedure.

## ARTICLE XVII. FUNDAMENTAL CORPORATE CHANGES

Section 1. By-Law Amendment. These By-Laws may be amended, repealed or altered in whole, or in part, at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose by a two-thirds (2/3s) majority vote of the Board of Trustees, and those entitled to cast ballots for a resolution of the Membership, where a Membership in-fact exists responsible for the election of the Board of Trustees, if any, provided there is a quorum for all corporate meetings at which such actions are taken.

Section 2. Certificate of Incorporation.

2.1. Amendment. An amendment, repeal or alteration, in whole or in part, of the Corporation's Certificate of Incorporation shall be authorized, by a two-thirds (2/3rds) majority vote of each the Board of Trustees and those entitled to cast ballots for a resolution of the Membership, if applicable, at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose, provided there is a quorum for all corporate meetings at which such actions are taken, and shall become effective once all statutory approvals are subsequently secured and the applicable Certificate of Amendment or Restated Certificate of Incorporation is accepted for filing by the New York State Department of State.

2.2. Construction/Governing Effect. If there is any conflict between the provisions of the Certificate of Incorporation, as may be amended, and these By-Laws, the provisions of the Certificate of Incorporation and the tenets of the Not-for-Profit Corporation Law of the State of New York shall govern.

Section 3. Merger or Consolidation. The Merger or Consolidation of this Corporation shall be authorized, by a two-thirds (2/3rds) majority vote of each the Board of Trustees and those entitled to cast ballots for a resolution of the Membership, if applicable, at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose, provided there is a quorum for all corporate meetings at which such actions are taken, and shall become effective once all statutory approvals are subsequently secured and the applicable Certificate of Merger or Consolidation is accepted for filing by the New York State Department of State.

Section 4. Dissolution. Notwithstanding any other provision of these articles, the library and art gallery shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law) or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954. No part of the net earnings of the corporation shall inure to the benefit of any trustee, director, officer or any private individual, except that reasonable compensation may be paid for services rendered to or for the corporation, and no trustee, director, officer or private individual shall be entitled to share in the distribution of any assets upon dissolution of the corporation. No substantial part of the activities of the corporation shall be carrying on propaganda or otherwise attempting to influence legislation or participating in or intervening in any political campaign on behalf of any candidate for public office. Upon the dissolution of the Canajoharie Library and Art Gallery, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or 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.

Section 5. Lease and Sale of Real Property. In any transaction where the organization endeavors to purchase, mortgage, sell or lease real property of the organization, it will first determine if such transaction constitutes a disposition of "all or substantially all" of its assets and if so shall obtain the consents and permissions required by Not-for-Profit Corporation Law of the State of New York Section 509, 510 or these By-Laws by way of either Not-

for-Profit Corporation Law of the State of New York Section 511 or 511-a. In any event where real property is disposed of, same shall not occur except with the consent of a 2/3 majority vote of the entire Board at a regular meeting or special meeting called for that purpose.

**ARTICLE XVIII. THE BOARD, EXECUTIVE DIRECTOR & GENERAL COUNSEL  
RELATIONSHIP**

Section 1. The Board of Trustees is responsible for ensuring that the Corporation has qualified and accessible paid legal counsel, serving as General Counsel, and that such Counsel is a strong and essential part of the Corporation's control and governance structure.

Section 2. The General Counsel should be actively involved in the provision of information and analysis supporting exercise by the Board of their oversight obligations, particularly as they relate to corporate compliance matters.

Section 3. The General Counsel is to support, in consultation with the executive director, the implementation of an effective compliance system.

Section 4. Each attorney representing the Corporation should serve the interests of the Corporation, and not the personal interests of any individual officer, director or employee.

Section 5. The Board should adopt governance policies and procedures that provide for:

Section 5.1 Board ratification or approval of the selection, retention and compensation of the General Counsel

Section 5.2 Periodic meetings between the General Counsel and the independent members of the Board; and

Section 5.3 All reporting relationships between lawyers of the Corporation to establish a direct line of communication with the General Counsel and, in turn, between the General Counsel and the Board.

**ARTICLE XIX. STATUTORY COMPLIANCE**

Section 1. *Definitions.* Should any term, phrase or understanding relative to any topic addressed in these By-Laws and/or the policies of the Corporation be specifically defined in a document entitled, "By-Law and Corporate Policy Definitions," a copy of which is annexed hereto, and made a part hereof as **Appendix A**, the stipulated definition of such term in said document shall govern for purposes of interpreting the By-Laws and/or the policies of the Corporation

Section 2. *Conflicts of Interest Protocols.* This Corporation shall adopt, and at all times honor, the terms of a written conflicts of interest policy to assure that its Trustees, Officers and Key Employees act in the Corporation's best interest and comply with applicable legal, regulatory and ethical requirements. The conflicts of interest policy of the Corporation shall include, at a minimum, the following provisions:

2.1. *Procedures.* Procedures for disclosing, addressing, and documenting Conflicts of Interest and Related Party Transactions to the Board of Trustees, or authorized committee, as appropriate,

2.2. *Restrictions.* Stipulations that when the Board of Trustees, or authorized committee, as appropriate, is considering a real/potential conflict of interest, the interested party shall not:

- i. be present at, or participate in, any deliberations;
- ii. attempt to influence deliberations; and/or
- iii. cast a vote on the matter.

2.3. *Definitions.* Definitions of circumstances that could constitute a conflict of interest.

2.4. *Documentation.* Requirements that the existence and resolution of the conflict be documented in the records of the Corporation, including in the minutes of any meeting at which the conflict was discussed or voted upon; and,

2.5. *Audit-Related Disclosure.* Protocols to assure for the disclosures of all real or potential conflicts of interest are properly forwarded to the Audit Committee or Conflicts of Interest Committee, as appropriate, or if there is no such Audit of Conflicts Committee, to the Board of Trustees, or another Committee of the Board, as appropriate.

Section 3. *Conflicts of Interest Policy.* The Conflicts of Interest Policy of the Corporation required in order to comply with the mandates of Section 2 of this Article is annexed hereto, and made a part hereof as ***Appendix B.***

Section 4 *Potential Conflicts Disclosure Statement.* The Potential Conflicts Disclosure Statement of the Corporation required in order to comply with the mandates of Section 2.5 of this Article is annexed hereto, and made a part hereof as ***Appendix C.***

Section 5. *Whistleblower Protection Policy.* This Corporation shall adopt, and at all times honor the terms of a written Whistleblower Protection Policy in an effort to assure that any “Director,” “Officer, employee or volunteer” who provides substantial services to the Corporation shall be free of fear of intimidation, harassment, discrimination or other forms of retaliation on the part of the Corporation, or any of its Trustees, Officers, employees or volunteers, as a consequence of the good-faith filing of a report relative to possible violations of any statute, regulation, applicable ethical standard or policy or procedure of the Corporation. The Whistleblower Protection Policy of the Corporation required in order to comply with the mandates of Section 4 of this Article is annexed hereto, and made a part hereof as ***Appendix D.***

Section 6. *Audit Oversight Policy.* If required by statute, regulation or contract, if deemed necessary and practicable by the Board of Trustees, or if mandated by any empowered governmental agency or required by binding contract, the accounts of the Corporation shall be subject to an annual audit report or audit review report prepared by an independent Certified Public Accountant to be overseen by the Board of Trustees, or a designated Audit and Finance, or other, Committee of the Board of Trustees, comprised solely of Independent Trustees, pursuant to the terms of the Audit Oversight Policy of the Corporation, a copy of which is annexed hereto, and made a part hereof as ***Appendix E.***

**ARTICLE XX. REVIEW OF BY-LAWS**

The Corporation shall cause to have these By-Laws reviewed on a periodic basis not to exceed annually by an internal body of the Corporation (i.e. the Executive Committee or an ad hoc Committee of the Board of Trustees) as well as bi-annually by outside counsel of the Board's choosing.

Date of Adoption by the Board of Trustees \_\_\_\_\_  
[DATE]

Attest: \_\_\_\_\_  
[SIGNATURE]

\_\_\_\_\_  
[PRINT NAME]  
Secretary of the Board of Trustees

## APPENDIX A

### By-Law & Corporate Policy Definitions

**1. Charitable Corporation.**

Any Not-for-Profit Corporation formed, or deemed to be formed, for charitable purposes, including those formerly considered by the Not-for-Profit Corporation Law to be Type “B” or “C” Corporations, as well as former Type “D” with Charitable purposes.

**2. Non-Charitable.**

Any Not-for-Profit Corporation formed, or deemed to be formed, for other than the purposes of a Charitable Corporation, including, but not limited to one formed for any one, or more of the following non-pecuniary purposes: civic, patriotic, political, social, fraternal, athletic, agricultural, horticultural, or animal husbandry, or for the purpose of operating a professional, commercial, industrial, trade or service association, including those formerly considered by the Not-for-Profit Corporation Law to be Type “A” Corporations, as well as former Type “D” with Non-Charitable purposes.

**3. Related Party.**

A “Related Party” means (i) any Director, Officer or Key Employee of the Corporation, or any Affiliate; (ii) any Relative of any Director, Officer or Key Employee of the Corporation, or any Affiliate; or (iii) any entity in which any individual described in clauses (i) and (ii) herein has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).

**4. Affiliate.**

An “Affiliate” of the Corporation means any entity controlled by, in control of, or under common control with, the Corporation.

**5. Officer.**

An “Officer” means any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By-Laws.

**6. Key Employee.**

A “Key Employee” means any person who is in a position to exercise substantial influence over the affairs of the Corporation.

**7. Relative.**

A “Relative” of an individual means his or her spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.

**8. Related Party Transaction.**

A “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.



**9. Entire Board.**

The "Entire Board" means the total number of Trustees entitled to vote which the Corporation would have if there were no vacancies. If the By-Laws provide that the Board of Trustees shall consist of a fixed number of Trustees, then the "Entire Board" shall consist of that number of Trustees. If the By-Laws provide that the Board may consist of a range between a minimum and maximum number of Trustees, then the "Entire Board" shall consist of the number of Trustees within such range that were elected as of the most recently held election of Trustees.

**10. Independent Trustee.**

An "Independent Trustee" means a Trustee who:

- i. is not, and has not been within the last three (3) years, an employee of the Corporation or an Affiliate of the Corporation and does not have a Relative who is, or has been within the last three (3) years, a Key Employee (as defined by these By-Laws) of the Corporation or an Affiliate;
- ii. has not received, and does not have a Relative who has received, in any of the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation or an Affiliate (other than reimbursement for expenses reasonably incurred as a Trustee or reasonable compensation for service as a Trustee if permitted by statute and regulation; and,
- iii. is not a current employee of or does not have a substantial financial interest in, and does not have a Relative who is a current Officer of or has a substantial financial interest in, any entity that has made "payments" to, or received "payments" from, the Corporation or an Affiliate of the Corporation for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenue. For purposes of this definition the term "payments" does not include charitable contributions.

**11. Independent Auditor.**

An "Independent Auditor" means any Certified Public Accountant performing the audit of the financial statements of the Corporation who is not, nor is any member of his/her firm, an Officer, Trustee, employee or volunteer of the Corporation or has a Relative who is such an individual.

## APPENDIX B

### Board of Trustees Conflicts of Interest Policy

#### 1. Policy Requirements.

All real or potential “Related Party Transactions” (as defined by these By-Laws) and any other conflicted matter must be addressed in accordance with the terms of this Board of Trustees Conflicts of Interest Policy. Any Related Party Transaction, or any other conflicted matter, authorized in a manner that is materially inconsistent with the terms of this policy may be subsequently rendered void or voidable by a vote of the majority (50% +1) of the Board of Trustees, excluding any Trustees with an interest in the subject transaction or matter.

#### 2. General Disclosure.

Prior to initial election, and annually thereafter, each Trustee shall be required to complete, sign and submit to the Secretary, or an authorized designee, as appropriate, a written statement identifying, to the best of the Trustee's knowledge, any entity of which such Trustee is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant, and in which the Trustee might have a conflicting interest. The Secretary shall provide a copy of all completed disclosure statements to the Chair of the Audit and Finance Committee or, if there is no Audit and Finance Committee, to the President of the Board of Trustees. A copy of each disclosure statement shall be available to any Trustee on request.

#### 3. Specific Disclosure.

If at any time during his or her term of service, a Trustee, Officer or Key Employee (all as defined by these By-Laws) acquires an interest, or circumstances otherwise arise, which could give rise to a real or potential Related Party Transaction, or any other conflicted matter, he or she shall promptly disclose, in good-faith, to the Board of Trustees, or an authorized committee thereof, as appropriate, the material facts concerning such interest.

#### 4. Conflicts Review Committee.

Unless another standing committee should have a charge authorizing it to address the topics discussed herein, either an Audit & Finance Committee or an *ad hoc* Conflicts Review Committee of the Board, comprised entirely of Trustees without an interest in the given transaction or matter, shall be duly appointed and convened by the Board to review any real or potential Related Party Transaction, or matter which might be considered to constitute a conflict of interest for a particular Related Party (as defined by these By-Laws). If no Audit & Finance or formal Conflicts Review Committee is charged, the Board (excluding the Trustee having an interest in the given transaction or matter) may act in its stead.

#### 5. Standard of Review.

In any instance where a Related Party Transaction, or other conflicted matter, is being reviewed, and is so material that it would customarily warrant formal approval by the Board of Trustees, either the Conflicts Review Committee shall thoroughly review the transaction or matter and submit to the Board a recommendation as whether or not it should be approved, or the Board, itself, shall thoroughly review the transaction and render a binding determination as to whether it should be approved.

**6. Authorization of Related Party Transactions**

The Corporation shall not enter into any Related Party Transaction, or any other conflicted matter, unless such a Transaction or matter is determined by the Board to be fair, reasonable and in the Corporation's best interest at the time of such determination.

**7. Authorization of Transactions Concerning Substantial Financial Interest.**

With respect to any Related Party Transaction, or other conflicted matter, in which a Related Party has a substantial financial interest, the Board of Trustees, or an authorized committee thereof, as appropriate shall:

- i. prior to entering into such Transaction, or matter, to the extent practicable, consider alternative transactions and/or a review of information compiled from at least two (2) independent appraisals of other comparable transactions;
- ii. approve the transaction by not less than a two-thirds majority (66.67%) vote of the Trustees or committee members, as appropriate, present at the meeting; and,
- iii. contemporaneously document the basis for approval by the Board, or authorized committee, as appropriate, which shall include the preparation of a written report, to be attached to the minutes of any meeting where the transaction or matter was deliberated or authorized, identifying the details of the transaction or matter; alternate transactions considered; materials or other information reviewed, Trustees present at times of deliberations; names of those who voted in favor, opposed, abstained or were absent; and, the specific action authorized.

**8. Restrictions.**

With respect to any Related Party Transaction, or any other conflicted matter, considered by the Board, or an authorized committee, as appropriate, No Related Party shall:

- i. be present at, or participate in, any deliberations;
- ii. attempt to influence deliberations; and/or
- iii. cast a vote on the matter.

Nothing herein shall prohibit the Board, or authorized committee, as appropriate, from requesting that a Related Party present information concerning a Related Party Transaction, or any other conflicted matter, at a Board, or Committee, meeting prior to the commencement of deliberations or voting relating thereto.

**9. Audit-Related Disclosure of Conflicts.**

It shall be the duty of the Secretary to see to it that all newly-received and annually-submitted Trustee interest disclosure statements and any case-specific Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Chair of the Audit and Finance Committee or, if there is no Audit and Finance Committee, to the President of the Board of Trustees, in an effort to assure that they are properly considered for auditing purposes.

## APPENDIX C

### Code of Ethical Conduct & Annual Potential Conflicts Disclosure Statement

#### —Code of Ethical Conduct—

This Corporation is committed to maintaining the highest standard of conduct in carrying out our fiduciary obligations in pursuit of our tax-exempt mission and purposes. As such, each and every Trustee, Director, Officer and Key Employee (to the extent applicable) shall adhere to the following code of conduct:

#### **By-Laws & Policies**

- Be aware of and fully abide by the constitution, bylaws, rules and regulations of the Corporation and policies of the corporation, pursuant to the New York Not-for-Profit Corporation Law (N-PCL).
- Assure compliance of the Corporation with respect to all statutes, regulations and contractual requirement.
- Respect and fully support the duly-made decisions of the Board of Trustees in accordance with their fiduciary duties of obedience and loyalty.
- Respect the work and recommendations of committees who are duly charged and have convened and deliberated accordingly, pursuant to the N-PCL.
- Work diligently to ensure that the board fully assumes its role as a policy-making, governing body.
- View and act towards the Chief Executive Officer as the chief administrative officer with the sole responsibility for the day-to-day management of the organization, including personnel, and for implementation of board policies and directives.

#### **Informed Participation**

- Attend most, if not all, meetings of the Board and assigned committees.
- Remain informed of all matters, including financial, that come before the Board and/or assigned committees.
- Respect and follow the “chain of command” of the Board and administration.
- Constructively and appropriately bring to the attention of the Board, Officers, committee chairs and/or appropriate staff any questions, personal views, opinions and comments of significance on relevant matters of governance, policymaking and our constituencies.
- Oppose, on the record, Board actions with which one disagrees or is in serious doubt.
- Appropriately challenge, within the structure and bylaws of the corporation, those binding decisions that violate the legal, fiduciary or contractual obligations of the corporation.
- Do not fully commit to others or self to vote a particular way on an issue before participating in a deliberation session in which the matter is discussed and action duly taken.
- Act in ways that do not interfere with the duties or authority of staff.

### **Conflict of Interest, Representation & Confidentiality**

- Represent the best interests of the corporation at all times and to declare any and all duality of interests or conflicts of interests, material or otherwise, that may impede or be perceived as impeding the capacity to deliberate or act in the good faith, on behalf of the best interests of the Corporation.
- Conform to the procedures for such disclosure and actions as stated in the bylaws or otherwise established by the board, pursuant to N-PCL.
- Not seek or accept, on behalf of self or any other person, any financial advantage or gain that may be offered because, or as a result, of the board member's affiliation with the Corporation.
- Publicly support and represent the duly made decisions of the Board.
- Speak positively of the organization to the Corporation members, and all current and potential stakeholders and constituencies.
- Not take any public position representing the Corporation on any issue that is not in conformity with the official position of the corporation.
- Not use or otherwise relate one's affiliation with the board to independently promote or endorse political candidates or parties for the purpose of election.
- Maintain full confidentiality and proper use of information obtained as a result of board service in accordance with board policy or direction.

### **Interpersonal**

- Speak clearly, listen carefully to and respect the opinions of fellow board members and key staff.
- Promote collaboration and partnership among all members of the board.
- Maintain open communication and an effective partnership with the Board's officer and committee leadership.
- Remain "solution focused", offering criticism only in a constructive manner.
- Not filibuster or engage in activities during meetings that are intended to impede or delay the progress and work of the board because of differences in opinion or other personal reasons.
- Always work to develop and improve one's knowledge and skills that enhances one's abilities as a Trustee.

Disclosure of Conflicts of Interests...

Please circle 'Yes' or 'No' and answer as appropriated.

1. Have you had a direct or indirect business relationship during the past fiscal year or current year with THE CORPORATION through ownership of more than 35% with any person who is a current or former officer, director, trustee or key employee of THE CORPORATION?

Yes (please describe below) No

---

---

---

---

2. Do you have a family member who had a direct or indirect business relationship with THE CORPORATION during the past fiscal year or current year?

Yes (please describe below) No

---

---

---

---

3. Did you serve as an officer, director, trustee, key employee, partner or member of an entity (or a shareholder of a professional corporation) that did business with THE CORPORATION during the past fiscal year, is currently or may be doing business in the current fiscal year?

Yes (please describe below) No

---

---

---

---

**All Board Members shall be responsible for adhering to the following:**

**Duty of Care, Loyalty & Obedience**

- All members of the Board of Trustees shall exercise that same care that a reasonable person, with similar abilities, acumen & sensibilities, would exercise under similar circumstances at all times. A Trustee, an Officer or Employee will undertake to understand all, or substantially, all of the consequences of their actions or the omissions of their actions.
- No Officer, Trustee or Employee shall engage in, or condone, any conduct that is disloyal, disruptive, damaging or competes with the Corporation. No Officer, Trustee or Employee shall take any action, or establish any interest, that compromises his/her ability to represent the Corporation's best interest.
- No Officer, Trustee or Employee shall disobey a majority decision of the Board of Trustees.
- All members of the Board of Trustees, all Officers of the Corporation and all Employees of the corporation are hereby bound to Fiduciary duty for and on behalf of the corporation, such that the

interests of the corporation shall remain paramount to any and all of their personal interests whatsoever. All members of the Board of Trustees, all officers of the corporation and all Employees shall exercise their Fiduciary Duty at all times, especially when making a decision on behalf of the corporation.

**Conflict of Interest**

- Consulting the board of Trustees Conflicts of Interest Policy and abstaining from voting or attempting to influence the vote on any matter before the Board that places him or her in a conflict of interest, as well as disclosing the conflict or potential conflict as soon as he/she recognizes the conflict. If self-disclosure is not revealed, the Board President or any member of the Board of Trustees can, prior to voting on a specific matter in which a potential conflict of interest exists, inquire whether any member of the Board desires to abstain from voting because of a conflict of interest. If no conflict of interest is disclosed but the President or any other member of the Board states the opinion that such a conflict exists and the challenged Board member refuses to abstain from the deliberations or voting as requested, the President shall immediately call for a vote of the Trustees to determine whether the challenged Trustee is in a conflict of interest. If a majority of the Trustees present vote to require the abstention of the challenged Trustee, that Trustee shall not be permitted to vote.
  - The Corporation is dedicated to the development of a strong nonprofit sector and representatives of that sector may sit on its Board of Trustees and still qualify for services offered by the Corporation. Participation as a member of the Board does not preclude an organization that the board member is associated with from receiving services. Association includes, but not limited to an organization for which the board member is employed by, or is a member of its Board of Trustees. The receipt of services or the potential of receiving services may, however, constitute a conflict of interest from time to time as defined herein. In the event that such a conflict of interest is determined to compromise the individual Board member’s ability to represent the Corporation’s best interest regarding a specific issue or action before the board, the procedures stated in the Article are in force.
4. Did you have during the past fiscal year, have currently or anticipate having conflicts as defined in the bylaws that have not been previously disclosed herein?

Yes (please describe below)    No

---

---

---

---

The IRS Form 990 requires THE CORPORATION to publically disclose much of the information below.

*—Certification—*

I, the undersigned, certify that I have read and understand the Code of Ethical Conduct of the corporation. I agree that my actions will fully comply with the statements and intent of the Code of Ethical Conduct. I affirm that neither I, nor any member of my family or household, has had an interest or taken any action which counters the conflict of interests’ policies of the organization or impedes my ability to act as a fiduciary and in the best interests of the corporation, except potentially those interests or actions as stated and fully disclosed below.

\_\_\_\_\_  
Board Member Signature

\_\_\_\_\_  
Date

**Other Disclosure of Conflicts of Interests..**

Nature of Conflict(s)

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Board Member Name (print) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_



*—Annual Potential Conflicts Disclosure Statement—*

As a Trustee, Officer or Key Employee of the Corporation, prior to your being seated on the Board of Trustees or commencing employment with the Corporation, as appropriate, and annually thereafter, you are required to truthfully, completely and accurately disclose all information requested herein and to promptly update all such information as factual circumstances may change from time-to-time. With regard to this Conflicts Disclosure Statement, please identify, to the best of your knowledge, any financial transaction(s), and related circumstances, that have occurred within the last (3)-fiscal years of the Corporation, are pending, currently occurring, and/or, in your reasonable opinion, could lead to potential financial transactions, between yourself, as a “Related Party” (as defined by the By-Laws of the Corporation), a “Relative” (as defined by the By-Laws) or a business enterprise where you are an officer, director, trustee, member, owner or Employee (as identified in the definition of “Related Party”) and this Corporation. Attach additional descriptions and/or information as needed.

Myself

---

---

---

---

Relative

---

---

---

---

Business Entity

---

---

---

---

*—Certification—*

I, the undersigned, certify that I have read and understand this Code of Ethical Conduct & Annual Conflicts Disclosure Statement. I agree that my actions will comply with the disclosures found in this document. I further affirm that neither I, as a Related Party nor any Relative have, or previously had, an interest, or has taken any action, that contravenes, or is likely to contravene, the Conflicts of Interests Policy of the Corporation or, otherwise impedes my ability to act as a fiduciary and in the best interests of the Corporation, except those that may have been disclosed herein.

\_\_\_\_\_  
Trustee Signature

\_\_\_\_\_  
Date

## APPENDIX D

### Whistleblower Protection Policy

#### 1. Intent.

The Corporation shall endeavor to protect any “Trustee,” “Officer” (each as defined by these By-Laws) employee, including any “Key Employee” (as defined by these By-Laws) or volunteer who provide substantial services to the Corporation intimidation, harassment, discrimination or other forms of retaliation on the part of the Corporation, or any of its Trustees, Officers, employees or volunteers, as a consequence of the good-faith filing of a report relative to possible violations of any statute, regulation, applicable ethical standard or policy or procedure of the Corporation.

#### 2. Requirements.

Provided the Corporation has twenty (20) or more employees (full-time, part-time, or a combination thereof) and annual revenue exceeding one million dollars (\$1,000,000), it is required, pursuant to state statute, to adhere to the terms of this policy, which, in the absence of such considerations, shall be considered advisable, but not necessarily required.

#### 3. Disclosure.

If any Trustee, Officer, employee or volunteer reasonably believe that some policy, practice, or activity of the Corporation, or of another individual or entity with whom the Corporation has a substantial business relationship exceeding ten thousand dollars (\$10,000), may violate any statute, regulation, applicable ethical standard or policy or procedure of the Corporation, such individual is required to file a confidential written report summarizing his/her concerns with the Vice-President, general counsel for the Corporation or a designated Employee Protection Officer, as appropriate.

#### 4. Investigation & Resolution.

The investigation of any alleged misconduct or omission governed by this policy shall be conducted in the following manner:

- a. the subject Trustee, Officer, employee or volunteer shall file the confidential written report with the Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, within thirty (30)-days of witnessing the alleged misconduct or omission, whereupon said Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, shall act as follows:
  - i. maintain the confidentiality of subject Trustee, Officer, employee or volunteer by not disclosing to other Trustees, Officers employees or volunteers of the Corporation, the existence of the alleged misconduct or omission, the underlying factual circumstances of the filing of the written report, except as needed in order to properly investigate the matter;
  - ii. conduct an appropriate investigation of the mater within approximately thirty (30)-days of receipt of the written report, or as soon as practicable thereafter;
  - iii. review the policies and procedure of the Corporation, making particular note of the alleged misconduct or omission;
  - iv. assess, in the most confidential manner possible, the concerns of the subject Trustee, Officer, employee or volunteer, via written questionnaire and/or interview, as well as those of other Trustees, Officers, employees or volunteers who may have an understanding of, or be complicit in, the alleged misconduct or omission, in order to form an informative opinion of the matter and, if necessary, potential recommendations for resolution;

- v. prepare and submit a written report on the matter to either the Audit and Finance Committee or an *Ad Hoc* Whistleblower–Employee Protection Committee of the Board, as appropriate, together with recommendations as to resolution and a timeline for implementation of recommended actions; and,
  - vi. forward a copy of the written report to the “Entire Board of Trustees” (as defined by these By-Laws).
- b. the Audit and Finance Committee or Whistleblower–Employee Protection Committee, as appropriate, shall act on the written report of the Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, review findings and recommendation identified therein, and submit to the Board of Trustees a written assessment of the matter, recommendations as to resolution and a timeline for implementation of recommended actions; and,
- c. upon receipt of the written report of the Vice-President, general counsel or other designated Employee Protection Officer, as appropriate, and the written assessment of the Audit & Finance Committee or Whistleblower–Employee Protection Committee, as appropriate, the Board of Trustees, at its next scheduled Regular Meeting, or a Special Meeting called for that purpose, shall consider the matter and render binding determinations as to resolution, up to, and including, the suspension or removal of any Trustee, Officer, employee or volunteer of the Corporation found to have engaged in the subject misconduct or omission.

#### **5. Retaliation Protections**

Upon filing a written report of alleged violation(s) of statute, regulation or applicable ethical standard, any such Trustee, Officer or Key Employee shall be protected, directly and indirectly, from intimidation, harassment, discrimination or other forms of retaliation on the part of the Corporation or any of its Trustees, Officers, employees or volunteers.

#### **6. Documentation.**

The Audit and Finance Committee or Whistleblower–Employee Protection Committee, as appropriate, and the Board of Trustees shall assure that the matter is properly documented in the records of the Corporation, including minutes of any meeting of any Committee and the Board where the matter was considered and/or addressed, paying particular attention to the confidentiality of this policy.

**7. Limitations.**

This policy does not protect any Trustee, Officer, employee or volunteer of the Corporation acting in bad faith; who is deliberately dishonest; and/or, has personally garnered profit, or some other advantage, to which he/she is not legally entitled. No Trustee, Officer, employee or volunteer should expect protection under this policy if he/she is complicit in the misconduct or omission that is the subject of his/her concern, unless his/her complicity is, itself, prompted by duress or is motivated by reasonable fear of some form of intimidation, harassment, discrimination or other form of retaliation.

**8. Publication.**

A copy of the policy shall be distributed to all Trustees, Officers, employees and volunteers who provide substantial services to the Corporation.

## APPENDIX E

### Audit Oversight Policy

#### 1. Auditing.

If required by statute, regulation or contract, if deemed necessary and practicable by the Board of Trustees, or if mandated by any empowered governmental agency or required by binding contract, the accounts of the Corporation shall be subject to an annual audit report or audit review report prepared by an independent Certified Public Accountant, an “Independent Auditor” (as defined by these By-Laws). Once retained, neither the Independent Auditor, nor a partner, associate or employee of the Independent Auditor’s firm or practice; or, a “Relative” (as defined in these By-Laws), or a partner, associate or employee of a Relative’s firm or practice, shall perform any assistance to the Corporation other than that directly related to auditing functions.

#### 2. Required Duties.

Should statute, regulation or contract require the Corporation to file an audit report or audit review report prepared by an independent Certified Public Accountant, an “Independent Auditor” (as defined by these By-Laws), the Board of Trustees, or a designated Audit and Finance, or other, Committee of the Board of Trustees, comprised solely of “Independent Trustees” (as defined by these By-Laws), shall perform the following duties:

- i. oversee the accounting and financial reporting processes of the Corporation and the audit of the Corporation's financial statements;
- ii. annually retain or renew the retention of an Independent Auditor to conduct the audit and, upon completion thereof, review the results of the audit and any related management letter with the Independent Auditor; and,
- iii. oversee the adoption, implementation of, and compliance with the Corporation’s Conflicts of Interest Policy and any required Whistleblower Policy adopted by the Corporation if such functions are not otherwise performed by another Committee of the Board comprised solely of Independent Trustees.

#### 3. Additional Revenue-Imposed Duties.

Should the Corporation be required to file an audit report or audit review report prepared by an Independent Auditor and in the prior fiscal year had, or in the current fiscal year reasonably expects to have, annual revenue in excess of one million dollars (\$1,000,000), by state statute, the Board, or a designated Audit and Finance Committee, or another Committee of the Board, comprised solely of Independent Trustees, shall also be required to perform the following duties:

- i. review with the Independent Auditor the scope and planning of the audit prior to the audit's commencement;

- ii. upon completion of the audit, review and discuss with the Independent Auditor:
  - a) any material risks and weaknesses in internal controls identified by the Independent Auditor;
  - b) any restrictions on the scope of the Independent Auditor's activities or access to requested information;
  - c) any significant disagreements between the Independent Auditor and management of the Corporation; and,
  - d) the adequacy of the Corporation's accounting and financial reporting processes;
- iii. annually consider the performance and independence of the Independent Auditor; and,
- iv. if the duties required by this Section are performed by an Audit and Finance Committee, or another Committee of the Board, report on the Committee's activities to the Board.

**4. Affiliate Corporations.**

Should the Corporation control other "Affiliate" (as defined by these By-Laws) subsidiary corporations, the Board of Trustees of this Corporation, or a designated Audit Committee comprised solely of this Corporation's Independent Trustees, may pursuant to state statute and these By-Laws perform all audit oversight duties stipulated in this Article for any such affiliate or subsidiary corporations.

**5. Restrictions.**

Only Independent Trustees may participate in any Board or Committee deliberations or voting relating to matters set forth in this Article.