



NEW YORK LIBRARY ASSOCIATION  

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*The Voice of the Library Community*

**NEW YORK LIBRARY ASSOCIATION, INC.**

**Corporate By-Laws**

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## ARTICLE I.

### Name

Section 1. *Name*. The Corporation shall be known as: New York Library Association, Inc. (hereinafter “the Association”).

## ARTICLE II.

### Corporate Purposes & Applicability

Section 1. *Corporate Purposes*. The purposes of the Association are set forth in the Certificate of Incorporation, as may be amended, and qualify the Association for exemption from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as may be amended. These purposes, to wit, include: leading, educating, and advocating for the advancement of the New York library community.

## ARTICLE III.

### Membership

Section 1. *Classes of Membership*. The Association shall have two (2) classes of Members: Personal and Organizational.

Section 2. *Qualifications & Criteria for Membership*. The Board of Directors (hereinafter referred to as the “Council”) establishes qualifications and criteria for Membership.

Any person or organization interested in the mission of the Association is considered a member upon payment of the annual dues to the Association. The Membership year is for a period of twelve months beginning the first of the month following the date in which the dues is received. Membership is non-transferable and non-refundable. Only Personal Members of the Association shall have the right to vote, hold office, or serve on a committee.

2.1. *Personal Members*. Personal Members are of the following classes:

- a. *Regular Members*: Individuals who are librarians and employed in library and information delivery organizations;
- b. *Friends/Trustees Members*: Individuals not employed as a librarian or by a library or library system.
- c. *Honorary Life Members*: Individuals who receive annual awards of the Association;
- d. *Student Members*: Individuals enrolled in graduate school. An individual's eligibility for this class of membership shall not exceed five consecutive years.
- e. *Retired Librarians*: Individuals retired from library and information delivery organizations;
- f. *First Time*: Individuals in their initial year of Regular Membership;
- g. *Library Assistants/Support Staff*: Individuals who are not librarians but are employed by a library or library system;

2.2. *Organizational Members.* Organization members shall designate one member of the organization as their representative. The designated individual will serve as a personal member of Association. The schedule of dues and bundled personal memberships for Library and Library System members is found in Section VI of the Financial Policies Manual.

- a. Libraries
- b. Library Systems
- c. Library/Information Science Schools
- d. For-Profit Organizations
- e. Not-for Profit Organizations
- f. Friends of Libraries Groups
- g. Affiliate Organizations

2.3. *Additional Opportunities for Either Membership Class.* The following enhancements are available for Members of either class:

- a. Members of the Association may designate their primary Section of the Association, with 25% of their annual dues being allocated to the designated Section. Members may elect to join more than one Section. A fee determined by the Council will be paid for each additional Section joined.
- b. Members may join as many Roundtables as they choose. A fee determined by the Council will be paid for each Roundtable joined.

Section 3. *Dues & Membership Year.* The Council of the Association shall establish the dues for each category and class of Membership. The Membership year is for a period of twelve months, beginning the first of the month in which Membership dues are received by the Association.

Section 4. *Annual Meeting.* An annual meeting of the Membership shall be held at time determined by the Council.

Section 5. *Special Meetings.* Special Meetings of the Members entitled to vote may be called at any time by the President, a majority vote of the Council, or upon the written request of at least ten percent (10%) percent of the Members entitled to vote. No business shall be conducted at a Special Meeting that is not included in the issued Notice. Calls for Special Meetings shall be submitted to the Executive Director of the Association.

Section 6. *Meeting Notice.* Notice of a Meeting of the Members of the Association shall be issued as prescribed by statute.

Section 7. *Quorum.* At any duly called Meeting of the Membership, the lesser of ten percent (10%), or one-hundred (100), of eligible voting Members shall constitute a quorum. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any Member(s).

Section 8. *Annual Report.* The Council of the Association shall annually present to the Membership, a report outlining the Association's fiscal status. This report shall include an annual balance sheet and profit and loss statement, or a financial statement performing a similar function for the preceding fiscal year, confirming assets (restricted and unrestricted) and liabilities, revenues and receipts and expenses. Each such report shall be filed with the records of the Association and a copy, or an abstract thereof, shall be entered in the minutes of the proceedings of the Meeting of the Members at which the report is presented.

## ARTICLE IV.

### Officers

Section 1. *Officers of the Association.* The Membership of the Association shall elect the Officers of the Association by majority vote. The Officers of the Association shall be President, Vice-President (President-Elect), Immediate Past President, Treasurer, and Treasurer-Elect. Officers of the Association shall begin service at the passing of the gavel at the Annual Conference or by November 1, if no Annual Conference is held that year. All officers shall turn over their records in good order to their successors within one month after the date they take office. The President shall serve a term of one (1) year, and become Immediate Past President upon expiration of the President's term. The Immediate Past President shall serve a term of one (1) year. The Vice-President (President-Elect) shall serve a term of one (1) year and shall become the President upon the expiration of the President's term. The Treasurer shall serve a term of two years. The Treasurer shall not serve consecutive terms as Treasurer. The Treasurer-elect shall serve a term of two (2) years concurrent with the Treasurer's term and shall become the Treasurer upon the expiration of the Treasurer's term. Each Officer shall hold office for the term for which he/she is elected and until his or her successor has been appointed.

Section 2. *Duties.* The Officers of the Association shall have the powers and duties prescribed in the bylaws of the Association, and those delegated by the Council, unless otherwise precluded by statute, regulation or these bylaws.

Section 3. *Vacancies.* Vacancies occurring during an Officer's term shall be filled as follows:

3.1. *President.* The President-Elect shall assume the Presidency if a vacancy occurs in the elected President's position, and will serve the unexpired portion of the President's term, and will then assume his/her own term as President.

3.2. *Immediate Past President.* If the office of Immediate Past President becomes vacant for any reason, the President shall appoint from the existing pool of past Presidents of the Association. The appointee shall serve the remainder of the term.

3.3. *Treasurer.* The Treasurer-Elect shall assume the office of Treasurer if a vacancy occurs any time during the Treasurer's term, and will serve the unexpired portion of the Treasurer's term.

3.4. *President-Elect and Treasurer-Elect.* If the office of President-Elect or Treasurer-Elect becomes vacant for any reason, a special election to fill these positions shall be held within sixty days, carried out through procedures established by the Council.

Section 4. *Executive Director.* The Executive Committee of the Association shall appoint the Executive Director, subject to approval of the Council. The Executive Director is neither a voting Officer nor member of the Council of the Association.

4.1. *Duties.* The Executive Director shall carry out the policies of the Council, under direction of the Executive Committee, and is responsible for the operation of the Association's office. The Executive Director shall maintain all publications, reports, minutes and other records; deposit non-current records in the New York

State Library, Albany; and shall be responsible for keeping the Manual of Policies and Procedures up to date. The Executive Director shall serve as the Secretary of the Association.

## **ARTICLE V.**

### **Board of Directors**

Section 1. *General Management.* The Board of Directors (hereinafter referred to as the “Council”) shall have authority in governing the operations, finances and affairs of the Association. The Council shall approve a budget for the succeeding fiscal year, prior to the conclusion of the current fiscal year. The Council shall determine the policies and procedures of the Association. The Council shall not have the power to amend the bylaws of the Association. There shall one official publication of the Association, which shall be issued at regular intervals on a schedule determined by the Council, and distributed regularly to all Members of the Association.

Section 2. *Membership.* The Council shall consist of the Officers of the Association, six Councilors-at-Large, the American Library Association (hereinafter referred to as “ALA”) Chapter Councilor, and one representative from each Section and Regional Chapter of the Association. Each Section and Regional Chapter shall be represented by its President, or by an individual elected from their membership, under procedures determined by the Section or Regional Chapter.

2.1. *Terms of Office.* The Council takes office immediately after the passing of the gavel at the Annual Conference or by November 1, if no Annual Conference is held that year. The six Councilors-at-Large are elected for terms of three (3) years, two to be elected each year. The ALA Chapter Councilor is elected for a term of three years to serve as the Association’s representative on the ALA Council. The terms of office for all members of the Council shall begin immediately after the passing of the gavel at the Annual Conference, or by November 1, if no Annual Conference is held that year. The six Councilors-at-Large and the ALA Chapter Councilor shall serve no more than two consecutive terms.

2.2. *Nomination and Election.* Candidates for elected offices of the Council are nominated by the Nominating Committee, or by members of the Association through petition. Candidates nominated through petition must submit signatures totaling 1% of the Association’s Membership, determined as of December 31 of the preceding fiscal year, to the Nominating Committee by May 1. All candidates must be a Personal Members of the Association at the time of their nomination and throughout their terms of office.

The ballot shall be issued by the most efficient and comprehensive means to all Members of the Association by June 15th. Any ballots cast later than July 15th are void, unless the election is for a special election. If any election for Association office results in a tie, the Executive Director shall, with a Member of the Association present, draw lots to determine the winner of the office. The Members of the Association shall be informed of the results of the election prior to the Annual Meeting.

2.3. *Vacancies.* Vacancies occurring in the elected positions of Councilor-at-Large or ALA Chapter Councilor will be filled by special election within sixty days, through procedures established by the Council. Vacancies occurring in the positions of Section or Regional Chapter representative will be filled at the discretion of the represented Section or Regional Chapter.

2.4. *Resignation.* A member of the Council may resign at any time by giving written notice to the Council, the President, or the Secretary. Unless otherwise specified in the notice, the resignation shall take effect upon receipt, and the acceptance of the resignation shall not be necessary to make it effective.

2.5. *Removal.* Any member of the Council may be permanently removed for cause, by a two-thirds (2/3s) majority vote of the Council at any Regular Meeting or Special Meeting of the Council called for that purpose, or with, or without, cause, by a majority vote of the Membership at any Annual Meeting or Special Meeting of the Members called for that purpose. Any member of Council who fails to attend two consecutive meetings without excuse shall be removed from Council automatically and a replacement shall be appointed or elected as provided for in this Article, or requested from the appropriate Section.

Section 3. *Meetings.* The Council shall hold at least three (3) Meetings per year. All meetings of Council are open to members in good standing. At the discretion of Council, any member of the Association who attends the meeting may make comments or ask questions. The Council may, upon a majority vote, determine that an executive session is needed. Only voting members of Council may attend executive sessions. Any individual required to be present at executive sessions, other than voting members of Council, must be approved by a two-thirds vote of Council. At the conclusion of the session the President shall announce the subject of the executive session.

3.1. *Electronic Communication.* Members of the Council may participate in any meetings by conference telephone, electronic video screen communication or similar communications equipment. Participation by such means shall constitute presence in person at a meeting of the Council.

Section 4. *Quorum.* A majority of the voting Members of the Council shall constitute a quorum for the transaction of any business.

Section 5. *Voting.* Each Member of the Council shall have one (1) vote. Provided that, Section representatives on the Council shall have one vote for the first 300 members of their Section, plus one vote for every additional 300 members of their Section.

Section 6. *Action by the Council.*

6.1. *Parliamentary Law.* In all matters of parliamentary procedure not covered or contradicted by these By-Laws, or applicable statute, regulation or contractual obligation, Roberts Rules of Order, newly revised, shall be used as a guideline in answering all questions of proper parliamentary procedure.

6.2. *Oversight by Membership.* Any action of the Council may be set aside by a two-thirds (2/3s) vote of the Members at any Meeting of the Membership, provided quorum is met.

Section 7. *Authority of the Council to Facilitate: Sections, Chapters, Roundtables.*

7.1. *Sections.* Upon petition of at least 300 Members of the Association, the Council may authorize the establishment of a Section. The petition shall include a statement of purpose that does not fall within the scope of any existing Section. After approval of the Council, the motion to establish a Section shall be presented to the membership on the ballot for elections to the Council, and shall be approved by a majority vote. The Council may change the status of a Roundtable to that of a Section upon request of the majority of the members of a Roundtable provided the Roundtable has at least 300 members over a period of two consecutive years. After approval of the Council, the motion to establish a Section shall be presented to the



membership at an annual meeting, and shall be approved by a majority vote of those members. A Section may admit as members only those who are Members, in good standing, of the Association.

*7.1.2. Dissolution of Sections.* When the need for any Section has ceased or is being addressed in other ways, or when membership of a Section ceases to be maintained at the 300 member level for a period of two consecutive years, it may be abolished by two-thirds of the total vote of the Council or the Section may vote to abolish itself.

*7.2. Chapters.* Upon petition of at least 300 Association members, the Council may authorize the establishment of a Regional Chapter. The petition shall include a statement of purpose that does not fall within the scope of any existing Section, or Chapter, nor fall within an area already served by an Association Chapter, and must stipulate that the Chapter will serve all types of librarians within the proposed service area. After approval of Council, the motion to establish a Chapter shall be presented to the membership on the ballot for elections to the Council and shall be approved by a majority vote. A Chapter may admit members who are not Members of the Association, but a minimum of 25% of a Chapter's members must also be Members of the Association.

*7.2.2. Dissolution of Chapters.* When the need for any Chapter has ceased, or is being addressed in other ways, or when membership of a Chapter ceases to be maintained at the 300 member level for a period of two consecutive years, or Association Membership among the Chapter members falls below 25%, it may be abolished by two-thirds of the total vote of the Council, or the Chapter may vote to abolish itself.

*7.3. Roundtables.* Upon petition of at least 25 Personal Members of the Association, the Council may authorize the establishment of a Roundtable. The petition shall include a statement of purpose that does not fall within the scope of any existing Section or Roundtable. Any Member of the Association, in good standing, may become a member of any Roundtable.

*7.3.2. Dissolution of Roundtables.* When the need for any Roundtable has ceased or is being addressed in other way, or when membership of a Roundtable ceases to be maintained at the 25 member level for a period of two consecutive years, it may be abolished by two-thirds of the total vote of Council or the Roundtable may vote to abolish itself.

*7.4. Duties & Restrictions.* Officers of Sections, Chapters and Roundtables shall be elected according to their bylaws, and they shall assume office at the same time as other officers of the Association. No Section, Chapter, or Roundtable may speak for the Association, commit the Association to any policy or action, or incur expenses on behalf of the Association. Each Section, Chapter, and Roundtable shall provide written annual reports to the Association office on their activities, for each fiscal year, by August 1.

## ARTICLE VI.

### Committees

Section 1. *Committee Types & General Authority & Responsibilities.* The Council may charge committees to perform various functions on behalf of the Council or the Association in either of the two (2) available types: Committees of the Board and Committees of the Corporation. Each Committee of the Board and Committee of the Corporation, and every member thereof, shall serve at the pleasure of the Council. All Committees shall keep minutes of all proceedings, to be regularly submitted to the Secretary for subsequent distribution to the entire Council, and report to the Council, at its next scheduled Regular Meeting, all activities and determinations.

Section 2. *Committees of the Board.* There shall be the following Standing Committees of the Board: the Executive Committee and the Audit & Finance Committee. Committees of the Board shall be comprised solely of, at least, three (3) voting Council Members, elected by majority vote of the Entire Council, and shall have either standing authority and/or may be designated specific authority from time-to-time by the Council to take action within statutory limitations that would legally bind the Council and/or the Corporation.

2.1. *Executive Committee.* Subject to appointment by the Council, the Executive Committee may consist of the President, the Vice President-Elect, the Immediate Past President, the Treasurer and the Treasurer-Elect. If appointed, the President shall serve as Chair of the Committee. The Executive Director shall serve as Secretary, and is a nonvoting member.

2.1.2. *Duties.* The Executive Committee shall serve as the interim governing body between Council Meetings. The Executive Committee reports its actions at the next meeting of Council. The Council may delegate to the Executive Committee any power within the scope of the Council. A majority of the Members of the Committee shall constitute quorum.

2.2. *Audit & Finance Committee.* Subject to appointment by the Council, the Audit & Finance Committee may consist of the President, the Vice President-Elect, the Immediate Past President, the Treasurer and the Treasurer-Elect, provided these members are found by resolution of the Council to be "Independent Directors" (as defined by Appendix "A"); however, under no circumstances shall the Corporation's "Independent Auditor" (as defined by Appendix "A") or a partner, employee of business associate or "Relative" (as defined by Appendix "A") of the Independent Auditor's firm, serve on the Committee. The Treasurer and Treasurer-Elect are precluded from serving as Chair of the Committee.

2.2.2. *Duties.* The Audit and Finance Committee shall oversee all audits and the overall fiscal affairs of the Association. The Committee shall develop a budget for approval by the Council; propose policies governing the finances of the Corporation for adoption by the Council; and, endeavor to assure that all the Corporation's institutional funds are deposited, invested and withdrawn in a manner consistent with all applicable statutes, regulations and contractual obligations, if any. The Committee shall assure that proper federal and state compliance and tax filings are submitted, and that any taxes due have been paid or, otherwise, addressed. It shall periodically review the Association's internal and financial controls, and the adequacy of the Association's insurance coverage. It shall also assure that proper policies and procedures are in place to ensure that all newly-received and annually-submitted Conflict of Interest Disclosure Statements, an unexecuted copy of which is annexed to these By-Laws as Appendix "B," and any case-specific Related Party Transaction reports, together the minutes of any related meetings, are promptly

provided to the Chair of the Committee and shall subsequently see to it that they are properly considered for auditing purposes.

Section 3. *Committees of the Corporation.* Committees of the Corporation shall be comprised of, at least, three (3) individuals elected by majority vote of the entire Council and shall either have standing authority or may be designated specific authority from time-to-time by the Council. Committees of the Corporation are advisory in nature and cannot take actions that bind the Council and/or the Association. There shall be the following Standing Committee of the Corporation: the Nominating Committee. The President, President-Elect and the Executive Director shall be ex-officio, non-voting, members of Committees of the Corporation.

3.2.1. *Nominating Committee.* The President shall recommend for appointment, by resolution submitted to and adopted by the majority of the Entire Council, the membership of the Nominating Committee. The Committee shall consist of four members, each from a different Section, and the Immediate Past President, who shall serve as Chair of the Committee. Members of the Nominating Committee are ineligible for elected office.

3.2.2. *Duties.* The Committee shall prepare a slate of candidates for elected offices of the Council, to be filled in the following conference-to-conference year. The slate shall consist of at least two candidates for each office. The Committee shall submit, by resolution for approval of the Entire Council, the slate of nominated candidates by the end of March, and distributed to the Membership of the Association by May 15th.

3.3.1. *Ad Hoc Committees.* The Council, by resolution adopted by the majority of the Entire Council, may designate other Standing, or *ad hoc*, Committees, with such authority as the applicable resolution shall provide, and constituted according to the requirements of this Article and applicable statutes. The Council shall annually review each Ad hoc Committee, and determine whether the Committee shall continue with its charge.

3.3.2. *Appointments.* The composition of Ad hoc Committees must be contained in the applicable resolution language, as adopted by the Council, and subject to this Article. The President-Elect may recommend for appointment, by resolution submitted to and adopted by the majority of the Entire Council, Ad hoc Committee Chairpersons and two (2) at-large Committee Members during his/her term as President-Elect, to become effective during the year when he/she assumes the Presidency. The President must make a diligent effort to determine Committee Chairpersons and their Membership by the end of the Annual Conference.

3.4. *Task Forces.* The President, by resolution submitted to and adopted by the majority of the Entire Council, create Task Forces and recommend their Members. The charge of a Task Force may not exceed the scope of the Council or any Committee of the Association. The creation of any task force shall be specific in scope and duration.

Section 4. *Meetings.* Meetings of committees, of which no formal notice shall be necessary, shall be held at such time and place as may be fixed by the President or the Chair of the applicable Committee or by majority vote of the members of the committee.

Section 5. *Quorum and Manner of Acting.* Unless otherwise provided by resolution of the Council, a majority of all of the members of a committee shall constitute a quorum for the transaction of business and the vote of

a majority of all of the members of the committee shall be the act of the committee. The procedures and manner of acting of all committees shall be subject to the direction of the Council, except where the Council has permissibly delegated authority to act, within statutory limitations, to a Committee of the Board. All committees shall maintain appropriate minutes of their meetings in an effort to document proper and appropriate oversight.

Section 6. *Vacancies.* Vacancies created on a Committee of the Board or a Committee of the Corporation shall be filled in accordance with the requirements of this Article.

## **ARTICLE VII.**

### **Elected Officer & Director Compensation, Reimbursement & Loans**

Section 1. *Compensation.* No Officer of the Association, Member of the Council, or Member of a Committee or Task Force shall receive compensation for their service. However, with prior approval of the Council, they may be reimbursed for actual, reasonable expenses incurred in the performance of their duties. The Council shall be empowered to provide reasonable compensation, together with reimbursement for reasonably incurred expenses, for employed staff of the Association.

Section 2. *Loans.* No loans shall be made by the Association to its Directors, Officers, Members of Committees or to any other corporation, firm, association or other entity in which an Officer, Member of the Council, or Committee Members of the Association are directors or officers or hold a substantial financial interest, except as may be permitted by statute .

## **ARTICLE VIII.**

### **Fiscal Year & Independent Financial Audit**

Section 1. *Fiscal Year.* The fiscal year of the Association shall commence on the 1<sup>st</sup> day of July and conclude on the 30<sup>th</sup> day of June.

Section 2. *Independent Financial Audit.* If required by statute, contractual obligation, demanded by the Office of the Attorney General, requested by another regulatory agency or funder as a condition of funding, or otherwise recommended and authorized by the Council, the accounts of the Association shall be subject to an annual audit report or review to prepared by an Independent Auditor (as defined by statute) to be overseen by either the Council, or an authorized Committee of the Board.

## **ARTICLE IX**

### **Affiliation with American Library Association (ALA)**

Section 1. The Association shall be a chapter of the American Library Association (ALA), as provided in the Bylaws of the ALA. A Chapter Councilor shall be elected at the same time as Association officers, for a term as required by the constitution and Bylaws of ALA. The Chapter Councilor shall also be member of the Council.

## ARTICLE X

### 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 be defined in **Appendix “A,”** of these By-Laws the stipulated definition of such term shall govern for purposes of interpreting the By-Laws and/or corporate policies.

Section 2. *Conflicts of Interest & Related Party Transaction Protocols.* This Corporation shall adopt, and at all times honor, a written Conflicts of Interest & Related Party Transaction Policy to assure that Officers, Members of the Council, Committee Members and Key Employees act in the Corporation's best interest and comply with applicable statutory, regulatory and ethical requirements. The Conflicts of Interest & Related Party Transaction Policy shall include, at a minimum, the following provisions:

- i. *Procedures.* Procedures for disclosing, addressing, and documenting Conflicts of Interest and Related Party Transactions to the Council, or an authorized committee, as appropriate.
- ii. *Restrictions.* Stipulations that when the Council, or an authorized committee, as appropriate, is considering a real/potential conflict of interest, the interested party shall not:
  - (a) be present at, or participate in, any deliberations;
  - (b) attempt to influence deliberations; and/or,
  - (c) cast a vote on the matter.
- iii. *Definitions.* Definitions of circumstances that could constitute a Conflict of Interest and/or Related Party Transaction.
- iv. *Documentation.* Requirements that the existence and resolution of the conflict and/or transaction 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,
- v. *Audit-Related Disclosure.* Protocols to assure for the disclosures of all real or potential Conflicts of Interest and/or Related Party Transactions are properly forwarded to the Council, or another authorized committee, as appropriate, for purposes of audit-related consideration.

Section 3. *Conflicts of Interest & Related Party Transaction Conflicts Policy.* The Conflicts of Interest and Related Party Transaction Policy of the Corporation is annexed hereto, and made a part hereof as **Appendix “B.”** This policy may only be amended, modified or repealed by a two-thirds (2/3) majority vote of the Council present at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose, with the change in policy to not be applicable to any pending or currently being reviewed real or potential conflicts of interest or Related Party Transaction.

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 of this Article is annexed hereto, and made a part hereof as **Appendix “C.”**

## ARTICLE XI.

### Indemnification of Directors, Officers & Employees

The Association shall indemnify its Directors, Officers, employees and volunteers against judgments, fines, amounts paid in settlement and reasonable expenses and costs, including attorney's fees, in connection with any claim asserted against the Director, Officer, employee or volunteer by court action, or otherwise, by reason of the fact that such person was a Director, Officer, employee or volunteer of the Association and acting in good-faith for a purpose which such person reasonably believed to be in the best interest of the Association, and was not unlawful, unethical or immoral. In order to assure adequate indemnification, the Association shall be required to purchase and maintain appropriate Directors and Officers ("D & O") liability insurance coverage.

## ARTICLE XII.

### Fundamental Corporate Changes

Section 1. *By-Law Amendment.* Amendments may be initiated by the Council, or by petition of 25 or more Members. The Council shall be required to submit all proposed amendments of the Association's bylaws with recommendation, for ratification by a majority of Members, voting either at the annual membership meeting, or through electronic ballot during the regular annual Council elections.

Section 2. *Certificate of Incorporation Amendment.* The Association's Certificate of Incorporation may be changed or amended, in whole, or in part, by a two-thirds (2/3) majority vote of the Members present at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose, provided all statutory approvals are subsequently secured and any Certificate of Change or Amendment is accepted for filing by the New York Department of State.

Section 3. *Creation of Corporate Affiliate Relationship.* This Association may enter into an Affiliate (as defined by **Appendix "A"**) relationship, such as a parent/subsidiary with another corporation, or form a new corporation for purposes of establishing an Affiliate relationship, by a two-thirds (2/3) majority vote the Directors present at any Annual Meeting or Special Meeting called for that purpose.

Section 4. *Merger or Consolidation.* This Association may be merged or consolidated by a two-thirds (2/3) majority vote of the Directors present at any Annual Meeting or Special Meeting called for that purpose, provided all statutory approvals are subsequently secured and any Certificate of Merger or Consolidation is accepted for filing by the New York Department of State.

Section 5. *Dissolution Procedure.* Unless stipulated otherwise herein, this Association may be dissolved by a two-thirds (2/3) majority vote the Directors present at any Annual Meeting or Special Meeting called for that purpose. Upon dissolution of the Association, provided all statutory approvals are subsequently secured and any Certificate of Dissolution is accepted for filing by the New York Department of State.

5.2. *Residual Assets.* In seeking approvals necessary for Dissolution, the Association shall exercise its best efforts to assure that any residual assets shall be donated to another Not-for-Profit Corporation, or Corporations, qualified under Section 501(c)(3) of the Internal Revenue Code with corporate purposes similar to those of this Association.

## APPENDIX A—By-Law & Corporate Policy Definitions

### **1. *Affiliate.***

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

### **2. *Committee - 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.

### **3. *Committee - Non-Charitable Corporation.***

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.

### **4. *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.

### **5. *Director.***

A “Director” means any member of the governing board of the Corporation, whether designated as director, trustee, manager, governor, or by any other title.

### **6. *Entire Board.***

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

### **7. *Key Employee.***

A “Key Employee” means any person who is in a position to exercise substantial influence over the affairs of the Corporation, including any employee with responsibilities concerning capital expenditures, operating budget, employee compensation, or a substantial portion of the organization’s income/expenses.

### **8. *Relative.***

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

**9. Independent Director.**

An “Independent Director” means a Director who:

- i. is not, and has not been within the last three (3) fiscal 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) fiscal 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 Director or reasonable compensation for service as a Director 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.

**10. 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, Director, employee or volunteer of the Corporation or has a Relative who is such an individual.



## **APPENDIX B—Board of Directors Conflicts of Interest & Related Party Transaction Policy**

### ***1. Policy Requirements.***

Any real or potential “Conflict of Interest” and/or “Related Party Transaction” (each as defined herein) and any other interested matter must be addressed in accordance with the terms of this Board of Directors Conflicts of Interest and Related Party Transactions Policy. Any Conflict of Interest and/or Related Party Transaction, or any other interested 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 a majority (50% +1) of the Board of Directors, excluding any Directors with an interest in the subject transaction or matter.

### ***2. Definitions.***

- a. Conflict of Interest. Unless otherwise specifically excluded herein, a “Conflict of Interest” means any transaction, agreement or any other arrangement, including, but not limited to a “Related Party Transaction,” as defined herein, between this Corporation and another individual or entity that confers a direct, substantial benefit to any Related Party, as defined herein. The following circumstances shall not be considered a Conflict of Interest for purposes of interpretation of this definition or consideration of a Conflict of Interest by the Board of Directors:
  - i. the current, or prior, service of an Officer, Director or Key Employee of this Corporation, or a Relative thereof, all as defined herein, as an officer, director, trustee, key employee or partner, or the equivalent thereof, of any corporate entity that is: considered to be an Affiliate, as defined herein; otherwise controlled by, or controls, this Corporation, and/or; an Affiliate of any corporate entity controlled by, or that controls, this Corporation, or;
  - ii. the current, or prior, receipt by an Officer, Director or Key Employee of this Corporation, or a Relative thereof, of goods or services offered by this Corporation that are generally made available to other similarly-situated individuals, provided that the recipient does, has not, received any form of preferential treatment as a consequence of his/her relationship with this Corporation.

The assessment of, and any determination concerning any Conflict of Interest must be considered in strict compliance with the adopted policies and procedures of the Corporation.

- b. Related Party Transaction. Unless otherwise specifically excluded herein, 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 following circumstances shall not be considered a Related Party Transaction for purposes of interpretation of this definition or consideration of a Related Party Transaction by the Board of Directors:
  - i. the current, or prior, service of an Officer, Director or Key Employee of this Corporation, or a Relative thereof, all as defined herein, as an officer, director, trustee, key employee or partner, or the equivalent thereof, of any corporate entity that is considered to be an Affiliate, as defined herein; otherwise controlled by, or controls, this Corporation, and/or; an Affiliate of any corporate entity controlled by, or that controls, this Corporation, or;

- ii. the current, or prior, receipt by an Officer, Director or Key Employee of this Corporation, or a Relative thereof, of goods or services offered by this Corporation that are generally made available to other similarly-situated individuals, provided that the recipient does not, or has not, received any form of preferential treatment as a consequence of his/her relationship with this Corporation.

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.

- c. Related Party. A "Related Party" means any:
  - i. Officer, as defined by statute;
  - ii. Director, as defined by statute;
  - iii. Key Employee, as defined by statute;
  - iv. founder of the Corporation;
  - v. individual who has made substantial monetary contributions to the Corporation;
  - vi. Relative, as defined by statute, of an Officer, Director, Key Employee, founder or substantial contributor;
  - vii. partnership or professional corporation where an Officer, Director or Key Employee, or a Relative thereof, directly or indirectly, has an ownership interest in excess of five percent (5%);
  - viii. entity where an Officer, Director or Key Employee, or a Relative thereof, directly or indirectly, holds a thirty-five percent (35%), or greater, ownership or beneficial interest; or,
  - ix. corporate entity where an Officer, Director or Key Employee, or a Relative thereof, serves as an officer, director, trustee, key employee or partner, or the equivalent thereof.

### ***3. General Disclosure.***

Prior to initial election, and annually thereafter, each Director 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 Director's knowledge, any entity of which such Director is an officer, director, trustee, owner (either as a sole proprietor, partner or member) or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which the Director might have a real or potential interest. The Secretary shall provide a copy of all completed disclosure statements to the Board of Directors, or another authorized committee thereof, as appropriate. A copy of each disclosure statement shall be available to any Director on request.

### ***4. Specific Disclosure.***

If at any time during his or her term of service, a Director, Officer or Key Employee (each as defined by Appendix "A") acquires an interest, or circumstances otherwise arise, which could give rise to a real or potential Conflict of Interest and Related Party Transaction, or any other interested matter, he or she shall promptly disclose, in good-faith, to the Board of Directors, or an authorized committee thereof, as appropriate, the material facts concerning such interest.

**5. *Process of Review.***

The Board of Directors, or another designated Committee of the Board, shall thoroughly review any real, or potential, Conflict of Interest or Related Party Transaction, or any other interested matter and, if a designated Committee, submit to the Board a recommendation as whether or not it should be approved.

**6. *Standard of Review.***

For purposes of this policy, amongst the considerations of the Board of Directors, or another authorized Committee of the Board, as appropriate, relative to assessment of any real or potential Conflict of Interest and/or Related Party Transaction, shall be the determination as to whether any financial interest, amounts to a Conflict of Interest and/or a Related Party Transaction, each as defined herein. Should any such financial interest be considered a Conflict of Interest and/or a Related Party Transaction, the terms of this “Conflict of Interest” and/or “Related Party Transaction Policy” shall apply with regard to proper consideration of the matter. Should the financial interest not amount to a Conflict of Interest and/or Related Party Transaction, as defined herein, the transaction shall be considered a matter unworthy of additional non-customary review and/or documentation.

**7. *Authorization of Conflicts of Interest & Related Party Transactions.***

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

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

With respect to any Conflict of Interest and/or Related Party Transaction, or other interested matter, in which a Related Party, or otherwise conflicted individual, has a substantial financial interest, the Board of Directors, or another authorized designated Committee of the Board, as appropriate shall:

- i. prior to entering into any 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 (2/3s) majority vote of the Directors and/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, Directors, or committee members, present at times of deliberations; names of those who voted in favor, opposed, abstained or were absent; and, the specific action authorized.

**9. *Restrictions.***

With respect to any Conflict of Interest and/or Related Party Transaction, or any other conflicted matter, considered by the Board, or another authorized designated Committee of the Board, as appropriate, no Related Party, or otherwise conflicted individual, 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, or otherwise conflicted individual, present information concerning a Conflict of Interest and/or Related Party Transaction, or any other interested matter, at a Board, or authorized committee thereof, meeting prior to the commencement of deliberations or related voting.

***10. Recognized Exceptions.***

Although not stipulated in statute, the Charities Bureau of the New York State Office of the Attorney General has advised that a certain transaction that might, by definition, be considered a Conflict of Interest and/or a Related Party Transaction need not necessarily be subject to, otherwise applicable, contemporaneous documentation requirements stipulated herein as a consequence of it being a matter that would not customarily require the action or approval of the Board of Directors. As a consequence of the foregoing, while all other obligations of this policy remain in effect, the Corporation need not contemporaneous document, or disclose for auditing purposes, any of the following:

- i. *de minimis* transactions — transactions being of a small size relative to this Corporation’s budget and assets, which would customarily fall below the threshold of review by the Board of Directors;
- ii. ordinary course of business transactions — transactions or activities that are undertaken in the ordinary course of business by staff of this Corporation, as consistent with either past corporate or sector practices;
- iii. mission-focused transactions — transactions involving benefits provided to a Director solely as a consequence of his/her membership in a class of individuals that the Corporation intends to benefit in accomplishing its mission, provided any such transactions are authorized in good-faith, without any undue benefit to the conflicted, or otherwise interested, Director, and/or,
- iv. compensation-related transactions — transactions related to compensation, or reimbursement of a Related Party, or otherwise conflicted Director, for reasonable expenses incurred on behalf of this Corporation.

Nothing herein shall be interpreted so as to permit or authorize a Related Party, or otherwise conflicted Director, to attempt to improperly influence the decision-maker(s) or reviewer(s) in a given Related Party Transaction, or other conflicted matter.

***11. Audit-Related Disclosure.***

It shall be the duty of the Secretary to see to it that all newly-received and annually-submitted Director Disclosure Statements and any case-specific Conflict of Interest and/or Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Secretary of the Board of Directors, or the chair an authorized committee thereof, as appropriate, in an effort to assure that they are properly considered for auditing purposes.

**APPENDIX C—Annual Potential Conflicts Disclosure Statement**

As a Director or Officer or Key Employee of the Corporation, prior to your being seated on the Board of Directors 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.

*Please mark ‘Yes’ or ‘No’ & provide additional information when requested*

Financial Information Return Disclosure

Responses to the following questions are required in order to complete financial information returns annually submitted to the Internal Revenue Service and the Office of the Attorney General.

1. Have you served as an officer, director, trustee, key employee, partner or member of, or hold 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%), in, an entity, which during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with the Corporation?

                                                                If *Yes*, briefly describe below & attach a detailed explanation  
No                              Yes

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2. Have you, individually, or through an entity where you hold 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%), during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with any individual who is a current or former “Officer,” “Director” or “Key Employee” of the Corporation?

                                                                If *Yes*, briefly describe below & attach a detailed explanation  
No                              Yes

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3. Do you have a “Relative” who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, a direct, or indirect, business relationship with the Corporation?

                                            
No                              Yes                              If *Yes*, briefly describe below & attach a detailed explanation

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4. Have you, or did you have a “Relative” who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, any transaction with the Corporation that might reasonably be considered a real or potential conflict of interest pursuant to the Corporation’s Board of Directors Conflicts of Interest Policy, which has not been otherwise disclosed herein?

                                            
No                              Yes                              If *Yes*, briefly describe below & attach a detailed explanation

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5. Have you been provided with, properly reviewed and reasonably understand the terms of the Corporation’s current written Board of Directors Conflicts of Interest Policy?

                                            
No                              Yes                              If **No**, briefly describe below &/or attach a detailed explanation

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Independent Director Assessment Disclosure.

In order to qualify as an “Independent Director,” as defined by the New York Not-for-Profit Corporation Law, an Officer or Director must respond in the negative to each of the following questions, although failure to respond to all questions in the negative shall not necessarily preclude such an Officer or Director from serving on the Board of Directors.

1. Are you currently, or have you been within the last three (3) fiscal years, an employee of the Corporation, or an “Affiliate” of the Corporation?

\_\_\_\_\_                      \_\_\_\_\_  
No                              Yes                              If *Yes*, briefly describe below & attach a detailed explanation

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2. Do you have a “Relative” who is, or has been within the last three (3) years, a “Key Employee” of the Corporation or an Affiliate of the Corporation?

\_\_\_\_\_                      \_\_\_\_\_  
No                              Yes                              If *Yes*, briefly describe below & attach a detailed explanation

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3. Have you received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an “Affiliate” of the Corporation, other than reimbursement for out-of-pocket expenses?

\_\_\_\_\_                      \_\_\_\_\_  
No                              Yes                              If *Yes*, briefly describe below & attach a detailed explanation

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4. Do you have a “Relative” who has received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an “Affiliate” of the Corporation, other than reimbursement for out-of-pocket expenses?

\_\_\_\_\_                      \_\_\_\_\_  
No                              Yes                              If *Yes*, briefly describe below & attach a detailed explanation

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5. Are you a current officer or employee of, or do you have 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, within 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 question, the definition the term “payments” does not include charitable contributions.

\_\_\_\_\_                      \_\_\_\_\_  
No                              Yes                      If *Yes*, briefly describe below & attach a detailed explanation

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6. Do you have a Relative who is a current officer or employee of, or has a substantial financial interest in, any entity that has made “payments” to, or received “payments” from, the Corporation or an “Affiliate,” for property or services in an amount which, within 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 question, the definition the term “payments” does not include charitable contributions.

\_\_\_\_\_                      \_\_\_\_\_  
No                              Yes                      If *Yes*, briefly describe below & attach a detailed explanation

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—*Certification*—

I, the undersigned, certify that I have read and understand this 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 had, an interest, or has taken any action, that contravenes, or is likely to contravene, the Conflicts of Interests and Related Party Transaction 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.

\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Date