

PRO ACTION OF STEUBEN AND YATES, INC.

BYLAWS

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ARTICLE I

A. Name of Agency

This agency shall be known as Pro Action of Steuben and Yates, Inc., primarily operating programs in Steuben and Yates Counties, and other neighboring counties as appropriate.

B. Description of Agency

This agency shall be a private non-profit membership corporation under the laws of the State of New York.

1. By Resolution of the County Legislatures in Steuben and Yates Counties, Pro Action of Steuben and Yates, Inc. was authorized to provide services and operate programs in both counties.

Article II

Statement of Purpose

Corporation

The purpose of this corporation shall be to effectuate primarily within Steuben and Yates Counties The Omnibus Budget Reconciliation Act of 1981, Title VI, Subtitle B, Community Services Block Grant Program, as amended (Public Law 97-35), in order to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas to attain the skills, knowledge, and motivations to secure the opportunities needed for them to become fully self-sufficient. Its specific purpose is to promote, as methods of achieving a better focusing of resources, on the goal of individual and family self-sufficiency:

1. The strengthening of community capabilities for planning and coordinating Federal, State and other assistance related to the elimination of poverty, so that this assistance, through the efforts of local officials, organizations, and interested and affected citizens, can be made more responsive to local needs and conditions;
2. The better organization of a range of services related to the needs of the low-income population, so that these services may be made more effective and efficient in helping families and individuals to overcome particular problems in a way that takes account of and supports their progress in overcoming related problems;
3. The greater use, subject to adequate evaluation, of new types of services and innovative approaches in attacking causes of poverty, so as to develop increasingly

effective methods of employing available resources;

4. The development and implementation of all programs and projects designed to serve the low-income areas with the maximum feasible participation of residents of the areas and members of the group served, so as to best stimulate and take full advantage of capabilities for self-advancement and assure that those programs and projects are otherwise meaningful to and widely utilized by their intended beneficiaries; and
5. The broadening of the resource base of programs directed to the elimination of poverty, so as to secure, in addition to the services and assistance of public officials, religious, charitable and neighborhood organizations, and individual citizens, a more active role for business, labor and professional groups able to provide employment opportunities or otherwise influence the quantity and quality of services of concern to the low-income populations.

A. **Board Meetings**

The purpose of the Board of Director meetings shall be to receive updates about progress in the achievement of the mission/objectives of the corporation; ensure all applicable Federal, State and local laws are being followed by the agency; hear reports of Board committees and make policy decisions, where required based on committee reports; meet legal requirements for Board meetings; provide a vehicle for Board members to meet other Board members and staff of the corporation; provide fiduciary oversight of the corporation through review of the agency budget, Indirect Cost Proposals, and funding proposals; ensure effective organizational planning; ensure adequate resources; ensure that organizational resources are managed effectively; monitor the corporation's programs and services; hear and resolve community complaints; assess performance and support the CEO (Chief Executive Officer).

Article III

A. **Statutory Compliance**

1. *Definitions.* Should any term, phrase or understanding relative to any topic addressed in these Bylaws and/or the policies of the Corporation be specifically defined in a document entitled "Bylaw 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 Bylaws and/or the policies of the corporation.
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 Directors, Officers and Key Persons 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:

- a. *Procedures.* Procedures for disclosing, addressing and documenting Conflicts of Interest and Related Party Transactions to the Board of Directors, or authorized committee, as appropriate,
- b. *Restrictions.* Stipulations that when the Board of Directors, or authorized committee, as appropriate, is considering a real/potential conflict of interest, the interested party shall not:
 1. Be present at, or participate in, any deliberations;
 2. Attempt to influence deliberations; and/or
 3. Cast a vote on the matter.
- c. *Definitions.* Definitions of circumstances that could constitute a conflict of interest, as defined in **Appendix B**, Code of Ethical Conduct & Annual Potential Conflicts Disclosure Statement.
- d. *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
- e. *Audit-Related Disclosure.* Protocols to assure for the disclosures of all real or potential conflicts of interest are properly forwarded to the Executive Committee of the Board, as appropriate.

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 make a part hereof as Article XIII.

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 B**.

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 Directors, 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. No Director, Officer, employee or volunteer of the Corporation who in good faith reports any action or suspected action taken by or within the Corporation that is illegal, fraudulent or in violation of any adopted policy of the Corporation shall suffer intimidation, harassment, discrimination or other retaliation or, in the case of employees, adverse employment consequence. 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 Article XIV.

6. *Whistleblower Policy Contents.* The Whistleblower Protection Policy of the Corporation required in order to comply with the mandates of Section 5 of this Article is annexed hereto, and made a part hereof as Article XIV.

7. *Audit Oversight Policy.* If required by statute, regulation or contract, if deemed necessary and practicable by the Board of Directors, 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 Directors or the Finance Committee of the Board of Directors, comprised solely of Independent Directors, pursuant to the terms of the Audit Oversight Policy of the Corporation, a copy of which is annexed hereto, and made a part of as Article XV.

Article IV

A. General Membership

The membership of this corporation shall consist of the Board of Directors to be selected as specified in Article VI. Membership of the corporation is closed membership.

Article V

A. Board Composition

1. Number of Directors

There shall be a Board of Directors consisting of fifteen (15) directors.

B. Sectors

As required by the Community Service Block Grant reauthorization language, the Board will, at all times, consist of three sectors.

1. One-third of the members of the Board are elected Public Officials, holding office on the date of selection, or his or her representatives, except that if the number of each elected officials reasonably available and willing to serve on the Board is less than one-third of the membership of the Board, membership on the Board of appointed Public Officials or his or her representatives may be counted in meeting such one-third requirement. In the event that a Board Member representing this sector either loses his or her office through the election process or decides to step down prior to completing his or her term in office, such member must immediately relinquish his or her seat on the board.
2. (1) Not fewer than one-third of the members of the Board are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and (2) each representative of low-income individuals and

families selected to represent a specific neighborhood within a community under clause (1) resides in the neighborhood represented by the member.

3. The remainder of the members of the Board are officials or members of business, industry, labor, religious, law enforcement, education or other major groups and interests in the community served.

C. County Representation

Each of the sectors defined under this Article shall have three members representing Steuben County and two members representing Yates County.

Article VI

Board Member Selection Process

(Please reference Article V, Board Composition section, for identification by sector)

A. Elected Officials or their Representatives (Often referred to as Public Sector) will be selected as required by the CSBG Act.

B. Low-Income Individuals and Families (Often referred to as Customer, Client or Low-Income Sector) will be represented on the Board of Directors as required by the CSBG Act.

C. Major Groups and Interests in the Community Served (Often referred to as Community or Private Sector) will be selected as required by the CSBG Act.

D. Head Start Board Composition Requirements (Head Start Act 2007 Sec. 642): At least one director shall have a background and expertise in fiscal management or accounting. At least one director shall have a background or expertise in early childhood education and development. At least one director shall be a licensed attorney familiar with issues that come before the governing body. However, if a person described in any one the three preceding sentences is not available to serve as a director, the board shall use a consultant, or another individual with relevant expertise, with the required qualification, who shall work directly with the board.

Additional members shall reflect the community to be served and include parents of children who are currently, or were formerly enrolled in Head Start programs; and are selected for their expertise in education, business administration, or community affairs.

Every member of the Board, regardless of sector or selection process, must be formally voted in by the full Board and board minutes must reflect this vote.

Article VII

Petition By Other Groups For Adequate Representation On The Board

Any community agency or organization or any representative group of the low-income, such as a minority racial or ethnic group, the elderly, rural and migrant families, etc., that feel they are inadequately represented, may petition for representation on the Board of Directors by submitting a petition signed by at least 20 members of the representative group requesting a hearing by the Board.

- A. If it is agreed, by a majority vote of the Board, that a petitioner has adequately proven their need for representation, the Board shall alter the composition of the Board in such a manner as to remain consistent with the fractional distribution of the various sectors that are represented on the board.
- B. Petitions may be presented to the President of the Board on any day of the month and the petitioners, after ten (10) business days' notice, shall receive an open hearing at the next regular Board meeting.

- C. Within five (5) business days after taking action on a petition, the petitioning organization and the Department of State will be notified in writing of the action taken by the Board and the reason for such action.

Article VIII

Terms and Elections

- A. Staggered terms for one-third (1/3) of the Board will begin with the Annual Meeting on April 2017. At the 2017 Annual Meeting of the Board of Directors, the Directors shall divide the Board into three (3) classes and shall, by vote of a majority of Directors, elect one-third (1/3) of the Directors to one-year terms, one-third (1/3) of the Directors to two-year terms, and one-third (1/3) of the Directors to three-year terms. These terms shall commence in April 2017. For purposes of term limits, those Directors receiving a one-year or a two-year term at the 2017 Annual Meeting shall not have those shortened terms counted as a term. Service to the Board prior to February 2017 shall not be counted for purposes of term limits. Once staggered terms are fully implemented, the three (3) classes will have three-year renewable terms.
- B. As individual terms expire, the nominating committee will review attendance, level of participation, and needs of the agency to determine whether each Director whose term is ending shall be offered another three-year term. All Directors, regardless of class, will be limited to two (2) consecutive three-year terms; except that the nominating committee may recommend that the Board waive the two term limit and offer additional terms to a Director who has made a significant contribution to the Corporation. For purposes of term limits, Directors serving a partial term shall not have those shortened terms counted as a term. Any former member of the Board may be considered anew for board membership after being off the board for a period of at least one year.
- C. At each Annual April Meeting, occupied board seats with expiring terms will be filled by means of an election by the full board. The Nominations Committee will prepare the slate of proposed Directors and distribute it to all Board Members at least seven (7) days prior to the Annual Meeting.

Article IX

Vacancies

Vacancies occurring on the Board of Directors for any reason may be filled by a vote of the majority of Directors then in office at a regularly scheduled meeting. A Director elected to fill a vacancy shall serve out the remainder of the unexpired term of his/her predecessor and, there forward, be eligible for election to serve additional three (3) year terms without limitation.

Article X

Resignation of Directors

Any director may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, and if no time is specified, at the time of its receipt by the President or Secretary or his or her designee. The acceptance of the resignation shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of the Director.

Article XI

Removal of a Director

A. Cause for Removal:

The following constitute cause for removal:

1. Absence from three (3) consecutive regular meetings of the Board without furnishing a valid reason for absence;
2. Action considered in conflict with the purpose of this corporation; A determination that cause exists through the process described in the following sentence:

If members of any group submit to the Board a petition for removal of a Director, and such petition has been signed by at least twenty (20) members of the petitioning group, the petitioners shall receive an open hearing.

B. Notice and Request for Hearing:

Within ten (10) business days of receiving notification by Certified Mail, a Board Member may request a hearing within five (5) business days.

Article XII

Conflict of Interest

A. Policy Requirements

All real or potential “Related Party Transactions” (as defined by these Bylaws) and any other conflicted matter must be addressed in accordance with the terms of this Board of Directors’ 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 Directors, excluding any Directors with an interest in the subject transaction or matter.

B. 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

(*Appendix B*) identifying, to the best of their Director's knowledge, any entity of which such Director 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 Director might have a conflicting interest. A copy of all completed disclosure statements shall be provided to the Executive Committee for review. A copy of each disclosure statement shall be available to any Director on request.

C. Specific Disclosure

If at any time during his or her term of service, a Director, Officer or Key Person (all as defined by these Bylaws) 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 Directors, or an authorized committee thereof, as appropriate, the material facts concerning such interest.

D. Conflicts Review Committee

Unless another standing committee should have a charge authorizing it to address the topics discussed herein, the Executive Committee of the Board, comprised entirely of Directors, 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 Bylaws).

E. 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 Directors, the Executive Committee shall thoroughly review the transaction or matter and submit to the Board a recommendation as whether or not it would be approved, or the Board, itself, shall thoroughly review the transaction and render a binding determination as to whether it should be approved.

F. 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.

G. 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 Directors, or an authorized committee thereof as appropriate, shall:

1. 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;
2. Approve the transaction by not less than a two-thirds majority (66.67%) vote of the Directors or committee members, as appropriate, present at the meeting; and,
3. 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 present at times of deliberations; names of those who voted in favor, opposed, abstained or were absent; and, the specific action authorized.

H. 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:

1. Be present at, or participate in, any deliberations;
2. Attempt to influence deliberations; and/or
3. 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 hereto.

I. Audit-Related Disclosure of Conflicts

It shall be the duty of the Secretary or his or her designee to see to it that all newly- received and annually-submitted Director interest disclosure statements and any case- specific Related Party Transaction reports, together with the minutes of any related meetings, are promptly provided to the Executive Committee in an effort to assure that they are properly considered for auditing purposes.

Article XIII

Whistleblower Protection Policy

A. Intent

The Corporation shall endeavor to protect a “Director”, “Officer” (each as defined by these Bylaws), employee, including any “Key Person” (as defined by these Bylaws) or volunteer who provides substantial services to the Corporation from intimidation, harassment, discrimination or other forms of retaliation on the part of the Corporation, or any of its Directors, 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. A copy of this policy shall be distributed to all Directors, Officers, employees and volunteers who provide substantial services to the Corporation.

B. 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.

C. Disclosure

If any Director, Officer, employee or volunteer reasonably believes 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 Office, as appropriate.

D. Investigation & Resolution

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

1. The Director, 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) business 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:
 - a. Maintain the confidentiality of subject Director, Officer, employee or volunteer by not disclosing to other Directors, Officers, employees or volunteers for 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;
 - b. Conduct an appropriate investigation of the matter within approximately thirty (30) business days of receipt of the written report, or as soon as practicable thereafter;
 - c. Review the policies and procedure of the Corporation, making particular note of the alleged misconduct or omission;
 - d. Assess, in the most confidential manner possible, the concerns of the subject

- Director, Officer, employee or volunteer, via written questionnaire and/or interview, as well as those of other Directors, Officers, employees or volunteers who may have an understanding of, or be complicit in, the alleged misconduct of omission, in order to form an informative opinion of the matter and, if necessary, potential recommendations for resolution;
- e. Ensure that any person who is the subject of a whistle blower complaint not be present at or participate in board or committee deliberations on the matter relating to the complaint;
 - f. Prepare and submit a written report on the matter to the 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
 - g. Forward a copy of the written report to the “Entire Board of Directors” (as defined by these Bylaws).
2. The Finance Committee or *ad hoc* 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 Directors a written assessment of the matter, recommendation as to resolution and a timeline for implementation of recommended actions; and
 3. 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 Finance Committee or *ad-hoc* Whistleblower-Employee Protection Committee, as appropriate, the Board of Directors, 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 Director, Officer, employee or volunteer of the Corporation found to have engaged in the subject misconduct or omission.

E. Retaliation Protections

Upon filing a written report of alleged violation(s) of statute, regulation or applicable ethical standard, any such Director, Officer, employee or volunteer 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 Directors, Officers, employees or volunteers.

F. Documentation

The Finance Committee or *ad-hoc* Whistleblower-Employee Protection Committee, as

appropriate, and the Board of Directors 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.

G. Limitations

This policy does not protect any Director, 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 she/she is not legally entitled. No Director, 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, promoted by duress or is motivated by reasonable fear of some form of intimidation, harassment, discrimination or other form of retaliation.

H. Publication

A copy of the policy shall be distributed to all Directors, Officers, employees and volunteers who provide substantial services to the Corporation. Posting the Whistleblower Protection Policy on the Corporation's website or at the Corporation's offices in a conspicuous location accessible to employees and volunteers are among the methods the Corporation may use to satisfy the distribution requirement.

Article XIV

Audit Oversight Policy

A. Auditing

If required by statute, regulation or contract, if deemed necessary and practicable by the Board of Directors, 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 Bylaws).

B. 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 Bylaws), the Board of Directors, or a designated Finance, or other, Committee of the Board of Directors, comprised solely of "Independent Directors" (as defined by these Bylaws), shall perform the following duties:

1. Oversee the accounting and financial reporting processes of the Corporation and

the audit of the Corporation's financial statements;

2. 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,
3. Oversee the adoption, implementation of and compliance with the Corporation's Conflicts of Interest Policy and any required *ad hoc* Whistleblower Policy adopted by the Corporation if such functions are not otherwise performed by another Committee of the Board comprised solely of Independent Directors.

C. 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 Finance Committee, or another Committee of the Board, comprised solely of Independent Directors, shall also be required to perform the following duties:

1. Review with the Independent Auditor the scope and planning of the audit prior to the audit's commencement;
2. 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;
3. Annually consider the performance and independence of the Independent Auditor; and,
4. 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.

D. Affiliate Corporations

Should the Corporation control other “Affiliate” (as defined by these Bylaws) subsidiary corporations, the Board of Directors of this Corporation, or a designated Finance Committee comprised solely of this Corporation’s Independent Directors, may, pursuant to State statute and these Bylaws, perform all audit oversight duties stipulated in this Article for any such affiliate or subsidiary corporations.

E. Restrictions

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

Article XV

Powers and Duties

Subject to Article XVIII, Sections E and F, the Board of Directors shall have general power to manage and control the affairs and property of the corporation, and shall have full power, by majority vote, to adopt policies, rules and regulations of the corporation, except as referenced in Article XXI, Head Start Procedures and Requirements. The Board shall have full and complete authority with respect to the distribution and payment of funds received by the corporation from time to time; except that the fundamental and basic purposes of the corporation, as expressed in the Certificate of Incorporation, shall not be amended or changed; and except further, that the Board of Directors shall not permit any part of the net earnings or capital of the corporation to inure to the benefit of any member or other private individual. The Board of Directors shall have the responsibility to recruit and hire the CEO to manage and oversee the daily operations of the corporation.

Article XVI

Contracts for Performing Components of the Pro Action of Steuben and Yates, Inc. Work Programs

If Pro Action of Steuben and Yates, Inc. choses to place the responsibility for planning, conducting, or evaluating a component of its work program with another organization, it shall formalize the relationship with that organization in a contract which states the specific responsibilities contracted and the conditions for performance.

Article XVII

Meetings

A. Schedule of Meetings

1. The Annual Meeting of the Board of Directors shall take place on the third Tuesday in the month of April. At this meeting, newly re-elected and elected members of the Board of Directors will be seated.
2. Regular meetings will be held monthly, on the third Tuesday of the month a minimum of six times per year.
3. All meetings of the Board must be held at a time and place which are reasonably convenient to all members, especially those representing the residents of the area and members of the group served, as well as reasonably convenient to the general public.
4. A special meeting of the Board may be called at any time by the President or Vice-President or by written request of three or more Board members. Notice of the date, time, place and purpose of the special meeting will be provided to each Board Member by mail, e-mail, fax or delivery of such notice.

B. Notice of Meetings

Notice of meetings shall be provided to all Board Members not less than five (5) days prior to regular meetings, and not less than forty-eight (48) hours prior to special meetings. Notice of meetings shall be sent electronically, by fax, or mailed to each member of the board.

C. Operating Procedures

1. The items of business at meetings of the Board shall include, but not be limited to:
 - a. Call to order
 - b. Conflict of Interest
 - c. Public Comments
 - d. Board Committee Reports
 - e. CFO (Chief Financial Officer) Report
 - f. Directors' Reports
 - g. Minutes of the previous meeting
 - h. CEO's Update
 - i. Other
 - j. Adjournment
2. The Board of Directors' business and its business meetings will be conducted by the Board President or his/her designee, following general parliamentary procedures as approved by the board.

Article XVIII

Quorums

- A. Fifty (50) percent of the current seated Board membership shall constitute a quorum and no business may be legally transacted unless a quorum is present.
- B. The quorum for meetings of the Executive Committee and other committees shall not be less than fifty (50) percent of the non-vacant seats on the committee. Board members may participate in meetings by phone or video conference.
- C. No proxies shall be allowed.
- D. Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all Directors of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If the consent is written, it must be signed by the Director. If electronic, it must be able to be reasonably determined to be sent by the Director. The resolution and the written consents by the Directors of the Board or committee shall be filed with the minutes of the Board or Committee.
- E. The following acts of the Board require the affirmative vote of at least two thirds (2/3) of the seated Board:
 - 1. A purchase, sale mortgage, lease, exchange or other disposition of real property of the Corporation if the property constitutes all or substantially all of the assets of the Corporation;
 - 2. A sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation; or
 - 3. An alteration to these Bylaws or Certificate of Incorporation of the Corporation that would increase the quorum requirement or vote requirement to greater than a majority of the Board present at the time of the vote.
- F. The following acts of the Board require the affirmative vote of a majority of the seated Board:
 - 1. A purchase, sale, mortgage, lease, exchange or other disposition of real property of the Corporation (unless such property constitutes all or substantially all of the assets of the Corporation, which shall be subject to Section E.1.above).

Article XIX

Board Member Roles / Responsibilities

Officers of the Board of Directors shall be a President, Vice President, Secretary and Treasurer.

Election of officers shall be conducted at each Annual Meeting. On even years, the President and Secretary shall be elected and on odd years the Vice President and Treasurer shall be elected. The Nominations Committee shall present to the Board the names of the candidates to be considered for election to office. Nominations may be made from the floor with no limit on the number of nominations. The election of officers shall be determined by a majority vote of those present and voting except where there is no winner, there shall be a run off of the top two nominees.

A. An officer may resign from office by providing written notice to the President or Secretary of the Board of Directors. In case of a vacancy in any office, the President shall appoint a replacement to the Board of Directors for confirmation. The replacement will serve until the next scheduled election for the office held.

B. Summary of Powers and Duties of Officers:

1. The President shall preside at all meetings of the Board of Directors. He/she shall give or cause to be given, notice of all meetings of the Directors and all other notices required by law or these bylaws. He/she shall have general supervision of the affairs of the corporation. He/she shall keep the Board of Directors fully informed, and shall freely consult with them concerning the activities of the corporation. He/she shall have the power to sign, after approval by the Board of Directors, in the name of the corporation, all contracts authorized either generally or specifically by the Board. He/she shall perform such other duties as shall, from time to time, be assigned to him/her by the Board of Directors.
2. The Vice President shall have such powers and duties as may be assigned to him/her by the Board of Directors. In the absence of the President, the Vice President, in order designated by the Board of Directors, shall in general perform the duties of the President.
3. The Secretary or his or her designee shall be the guardian of all official records and correspondence and see that an adequate record of activity is kept.
4. The Treasurer or his or her designee shall be the custodian of all funds, securities, evidences of indebtedness, and other valuable documents of the corporation. He/she shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements of the corporation and shall deposit all funds and other valuable effects of the corporation in such banks or depositories that the Board of Directors may designate. He/she shall keep, or cause to be kept, such books and other records as will show a true record of the assets and liabilities of the corporation.
5. Terms of offices shall be two-year terms and may be served with a limit of two (2) consecutive terms as President, Vice-President, Secretary and Treasurer. Once the

President relinquishes that office, she/he can be considered for that role after a full two (2) year term of absence.

6. Any officer elected by the Board may be removed by a majority vote of the Board.

Article XX

Committees of the Board

- A. The Executive Committee shall be composed of the four Officers plus two (2) additional members of the Board of Directors appointed by the President.
 1. The Board must approve all appointees to the Executive Committee.
 2. The Executive Committee may transact routine business meetings of the full Board on an emergency basis.
 3. The Executive Committee shall fairly reflect the composition of the full Board in terms of representation of elected public officials, the low-income and other groups and interests, as well as the various geographic areas of the community.
 4. The Executive Committee shall meet as often as necessary and will report on actions taken between meetings of the full Board.
 5. The Executive Committee shall be responsible for overseeing the process of the recruitment and hiring of the CEO and shall be responsible for conducting an annual evaluation of the performance of the CEO.
 6. The Executive Committee shall monitor compliance with bylaws, review bylaws annually and recommend revisions.
 7. The Executive Committee shall oversee legal compliance and assume public accountability.
- B. Finance/Audit Committee: This committee will consist of a minimum of three Board Members. This committee shall review all financial reports, budgets, and other fiscal matters relating to the corporation and recommend fiscal changes when deemed necessary. At all times, the Treasurer of the Board will be a member of this committee. The Finance Committee shall review the annual audit. The Finance Committee shall meet at least eight (8) times per year and minutes of those meetings shall be maintained by the CFO. The Finance Committee also acts as the Audit Committee. Relevant sections of the financial policies and procedures manual will be reviewed at least annually, revised as necessary and presented to the Board of Directors for approval.

- C. The Board shall also have the following standing committees of the organization consisting of a minimum of three Board Members. The Board of Director's President will appoint the chair of each committee and the other committee members can volunteer or be appointed by the Board's President.
1. Personnel Committee: This committee shall be responsible for the development of sound personnel practices and policies and, with assistance from the CEO. Relevant sections of the corporation's employee manual and policies will be reviewed at least annually, revised as necessary and presented to the Board of Directors for approval. The Personnel Committee shall meet as necessary and minutes of those meetings shall be filed.
 2. Nominating Committee: The Nominating Committee shall be responsible for the identification, recruitment and nominating of the new Board Members, and shall provide assurance that such recruitment is performed in keeping with Article V, Board Composition. Additionally, this committee shall present a slate of names for officers and conduct elections at each Annual Meeting. The Nominating Committee shall monitor Board meeting attendance and recommend necessary action. The Nominating Committee shall meet as necessary and minutes of those meetings shall be filed.
 3. Head Start Advisory Committee: The Head Start Advisory Committee shall assist with effective governance and improvement of the program. The committee does not supersede the legal and fiscal responsibilities of the governing body.
- D. The President is responsible for the appointment of chairpersons of each committee. Committee chairs will serve a one-year term and are eligible for reappointment as long as they are eligible for election to the Board. Committee chairs will be named by the President following the election of officers at each Annual Meeting.
- E. No committee may transact business unless there is at least fifty (50) percent of the committee's membership present. The number of directors on a committee will never be less than three.
- F. The Board of Directors must approve all recommendations made by a committee before they are binding on the corporation.
- G. The President, with the approval of the Board (a majority of the directors present at a board meeting at which quorum is present), shall appoint other committees or task forces as the need arises.
- H. The President of the Board of Directors is an ex-officio member of all committees of the Board.
- I. The Board will review the responsibilities of committees of the board and make revisions,

as needed.

- J. No committee shall have any authority as to the following matters: (i) the submission to the Board of any action requiring Board approval under the Not-for-Profit Corporation Law; (ii) the filling of vacancies in the Board or in any committee; (iii) the fixing of compensation of the Directors for serving on the Board or on any committee; (iv) the amendment or repeal of these By-Laws or the adoption of new by-laws; (v) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable; (vi) the election or removal of officers and Directors; (vii) the approval of a merger or plan of dissolution; (viii) the adoption of a resolution recommending to the Board action on the sale, lease, exchange or other disposition of all or substantially all the assets of the Corporation; and (ix) the approval of amendments to the Certificate of Incorporation.

Article XXI

Head Start Procedures and Requirements

A. Board of Directors/Head Start Policy Council Conflict Resolution

Pro Action of Steuben and Yates, Inc. Board of Directors, Administrative staff, Head Start Policy Council, and Head Start Management staff recognize that certain steps must be taken to prevent the development of internal disputes/impasse. These steps include:

1. *Adherence to Regulations.* Pro Action of Steuben and Yates, Inc. Board of Directors, Administrative staff, Head Start Policy Council, and Head Start Management staff agree to maintain a formal structure of shared governance through which parents of enrolled Head Start / Early Head Start children can participate in policy making or in other decisions about the Head Start / Early Head Start Program as required in Part 1301.6 (Program Governance) of the Head Start Performance Standards. Pro Action's approach to shared governance emphasizes the importance of involving Policy Council members in the decision-making process prior to the point of seeking approval.
2. *Effective communication.* Open channels of communication between the Board and Policy Council including the timely exchange of minutes from meetings; joint meetings on specific issues or concerns; participation of policy group members in staff meetings; and concurrent membership of selected individuals on the Board and Policy Council help prevent situations that could lead to an impasse between the Board and Policy Council.
3. *Informed Membership.*
 - Board and Policy Council members receive information in a timely manner to ensure informed decisions.
 - Policy Council members are informed that the Board holds the legal and fiscal responsibility to guide and oversee the carrying out of Head Start functions by program staff. Policy Council members consider and act upon proposed decisions from the Board at Policy Council's monthly meetings.

- Board members are informed that the Policy Council must approve or disapprove proposals and actions prior to adoption or action, but does not hold legal, fiscal or operating responsibilities. Board members consider and act upon proposed decisions from the Policy Council at Board's monthly meetings.

If, despite the preventive measures noted above, the Pro Action of Steuben and Yates, Inc. Board of Directors and the Head Start Policy Council do not concur and differences arise that result in disagreement and/or impasse, the following procedure will be adhered to:

4. *Notification to the other party of a disagreement:* If there is a disagreement, the Board and the Policy Council must inform the other in writing why it does not accept the other's decision within 5 business days.
5. *Attempt to resolve the disagreement:* The Board Executive Committee, Head Start Policy Council Executive Committee, Pro Action Executive Director, and the Head Start Director will meet within 10 business days of the written notice of disagreement to review differences and seek resolution. The proposed resolution will be presented, in writing, to both bodies. Both bodies must act upon the proposed resolution at their next regularly scheduled meeting.
6. *Arrange for mediation if necessary:* If the proposed resolution outlined in number 5 is not approved by both parties, the Board and Policy Council will request the services of a New York State certified mediator. This individual will meet at his/her earliest convenience with membership of both bodies jointly in an effort to mediate the differences and bring resolution to the issue. Any agreement reached as a result of the mediation will be binding upon both parties.
7. *Arrange for arbitration if necessary:* If mediation is unsuccessful, the Board and Policy Council will request the services of an arbitrator. The arbitrator will convene a hearing at his or her earliest convenience to gather information and evidence regarding the dispute. After the hearing, the arbitrator will issue a written ruling within the time frame required in Article 75 of the New York Arbitration Regulations. The arbitrator's ruling will be binding upon both parties.

Article XXII

Amendment of Bylaws

These Bylaws may be amended, added to, or repealed by a two-thirds (2/3) vote of the Board of Directors at a regular or special meeting provided that notice of the proposed amendment has been sent to all members of the Board at least seven (7) days prior to the meeting at which time it is to be voted upon. The written notice must include a full statement of the proposed amendment.

Article XXIII

Dissolution

This corporation may be dissolved in any manner consistent with the laws of New York State, the Federal Government, and any conditions of grant awards or other performance contracts currently in force.

Article XXIV

Compensation

There shall be no regular compensation to the Board of Directors. Members representing the Client or Low-Income Sector may be reimbursed for meals, dependent care, and transportation.

APPENDIX A

Bylaw & Corporate Policy Definitions

A. **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.

B. **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.

C. **Related Party**

A “Related Party” means (i) any Director, Officer or Key Person of the Corporation, or any Affiliate; (ii) any Relative of any Director, Officer or Key Person 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%).

D. **Affiliate**

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

E. **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.

F. 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 Bylaws.

G. Key Person

A “Key Person” means any person other than a Director or Officer, whether or not an employee of the Corporation, who: (a) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of Directors and Officers; (b) manages the Corporation or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (c) alone or with others controls or determines a substantial portion of the Corporation’s capital expenditures or operating budget.

H. 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.

I. 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 of the Corporation is a participant, except that a transaction shall not be a Related Party Transaction if: (a) the transaction or the Related Party’s financial interest in the transaction is de minimis; (b) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms; or (c) the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that the Corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

J. 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 Bylaws 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 Bylaws 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 a range that were elected as of the most recently held election of Directors.

K. Independent Director

An “Independent Director” means a Director who:

1. 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 Person (as defined by these Bylaws) of the Corporation or an Affiliate;
2. 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 services as a Director if permitted by statute and regulation);
3. 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 (i) Ten Thousand Dollars (\$10,000) or two percent (2%) of such entity’s consolidated gross revenues if the entity’s consolidated gross revenue was less than Five Hundred Thousand Dollars (\$500,000), (ii) Twenty-Five Thousand Dollars (\$25,000) if the entity’s consolidated gross revenue was Five Hundred Thousand Dollars (\$500,000) or more but less than Ten Million Dollars (\$10,000,000) or (iii) One Hundred Thousand Dollars (\$100,000) if the entity’s consolidated gross revenue was Ten Million Dollars (\$10,000,000) or more; or
4. Is not and does not have a Relative who is a current owner, whether wholly or partially, director, officer or employee of the Corporation’s outside auditor or who has worked on the Corporation’s audit at any time during the past three (3) years.

For purposes of this definition, the term “compensation” does not include reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director as permitted by law and the term “payment” does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the Corporation are available to individual members of the public on the same terms, and such services received by the Corporation are not available from another source.

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

APPENDIX B

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 Director, Officer and Key Person (to the extent applicable) shall adhere to the following code of conduct:

Bylaws & Policies

1. 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).
2. Assure compliance of the Corporation with respect to all statutes, regulations and contractual requirement.
3. Respect and fully support the duly-made decisions of the Board of Directors in accordance with their fiduciary duties of obedience and loyalty.
4. Respect the work and recommendations of committees who are duly charged and have convened and deliberated accordingly, pursuant to the N-PCL.
5. Work diligently to ensure that the board fully assumes its role as a policy-making governing body.
6. View and act towards the CEO 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

1. Attend most, if not all, meetings of the Board and assigned committees.
2. Remain informed of all matters, including financial, that come before the Board and/or assigned committees.
3. Respect and follow the “chain of command” of the Board and administration.
4. 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.
5. Oppose, on the record, Board actions with which one disagrees or is in serious doubt.
6. Appropriately challenge, within the structure and bylaws of the corporation, those binding decisions that violate the legal, fiduciary or contractual obligations of the corporation.
7. 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.
8. Act in ways that do not interfere with the duties or authority of staff.

Conflict of Interest, Representation & Confidentiality

1. 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.
2. Conform to the procedures for such disclosure and actions as stated in the bylaws or otherwise established by the board, pursuant to N-PCL.
3. 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.
4. Publicly support and represent the duly made decisions of the Board.
5. Speak positively of the organization to the Corporation members, and all current and potential stakeholders and constituencies.
6. Not take any public position representing the Corporation on any issue that is not in conformity with the official position of the corporation. ‘
7. 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.
8. Maintain full confidentiality and proper use of information obtained as a result of board service in accordance with board policy or direction.

Interpersonal

1. Speak clearly, listen carefully to and respect the opinions of fellow board members and key staff.
2. Promote collaboration and partnership among all members of the board.
3. Maintain open communication and an effective partnership with the Board's officer and committee leadership.
4. Remain "solution focused," offering criticism only in a constructive manner.
5. 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.
6. Always work to develop and improve one's knowledge and skills that enhance one's abilities as a Director.

~ Annual Potential Conflicts and Disclosure Statement ~

As a Director or Officer or Key Person of the Corporation, prior to 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 circumstances may change from time-to-time. With regard to this Conflicts Disclosure Statement, be advised, all material terms identified by quotation marks are defined by *Appendix "A"* of the Bylaws of the Corporation, which is entitled "Bylaws & Corporate Policy Definitions."

Please mark 'Yes' or 'No' where indicated & 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 Services and the Office of the Attorney General.

1. Have you served as an officer, director, trustee, Key Person, partner or member of, or hold a thirty-five percent (35%) or greater ownership of 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?

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

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 Person" of the Corporation?

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

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

4. 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 & attach a detailed explanation

5. 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

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, with the exception of number four although failure to respond in the negative to all questions 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

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

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

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

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 the reimbursement for out-of-pocket expenses?

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

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 of the term “payments” does not include charitable contributions.

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

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 the entity’s consolidated gross revenue. For purposes of this question, the definition of the term “payments” does not include charitable contributions.

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

The N-PCL and the IRS Form 990 may require THE CORPORATION to publically disclose much of the information in this Annual Disclosure.

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 had, an interest or has taken any action, that violates, or is likely to violate, the Conflicts of Interest 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

Annual Commitment to a Board Members Fiduciary Duty

Duty of Care, Loyalty and Obedience

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

1. Consulting the Board of Directors Conflict 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 Directors 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 by 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 Directors to

determine whether the challenged Director is in a conflict of interest. If a majority of the Directors present vote to require the abstention of the challenged Director, that Director shall not be permitted to vote.

2. The Corporation is dedicated to the development of a strong non-profit sector and representatives of that sector may sit on its Board of Directors 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 is not limited to, an organization for which the board member is employed by, or is a member of its Board of Directors. 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.

Did you have during the past fiscal year, have conflicts as defined by the bylaws that have not been previously disclosed herein?

No

Yes

If Yes, briefly describe below & attach a detailed explanation

The N-PCL and the IRS Form 990 may require THE CORPORATION to publically disclose much of the information in this Annual Disclosure.

~ 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 interest's 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

~ Annual Potential Conflicts Disclosure Statement ~

As a Director, Officer or Key Person 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. 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 Bylaws of the Corporation), a “Relative” (as defined by the Bylaws) 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 violates, or is likely to violate, the Conflicts of Interest 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