



# **BY-LAWS**

OF THE

**FOX RIVER GROVE PARENT TEACHER ORGANIZATION**

**(A not for profit corporation under the laws of the State of Illinois.)**

Representing ALGONQUIN ROAD ELEMENTARY SCHOOL and  
FOX RIVER GROVE MIDDLE SCHOOL

Adopted by the PTO on May 16, 2012; Revised on March 12, 2013

## **ARTICLE I - NAME AND INCORPORATION**

### **Section 1. NAME**

The name of this not for profit organization shall be the Fox River Grove Parent Teacher Organization, hereafter referred to in these By-Laws as the "PTO."

### **Section 2. MISSION STATEMENT**

The PTO exists for charitable and educational purposes and to enhance the learning opportunities available to students by sponsoring programs and activities consistent with the schools' goals and objectives.

### **Section 3. LOCATION**

The principle offices of the PTO shall be at 401 Orchard Street, Fox River Grove, Illinois.

### **Section 4. PURPOSES**

The purposes of the PTO as stated in its Articles of Incorporation are:

- (A) To be organized and operated exclusively for educational, recreational, civic and charitable purposes, all as contemplated and permitted by Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and in connection therewith exclusively for the welfare and benefit of the Fox River Grove Schools to assist in the performance of the educational, recreational, and charitable purposes for which

funds may not otherwise be available to the Fox River Grove Schools. Specifically, the PTO:

- (i) Promotes involvement from all parents or legal guardians as key to enriching our Children's educational and personal development;
- (ii) Encourages positive communication and cooperation between faculty, students, parents or legal guardians and community; and
- (iii) Shall be noncommercial, non-sectarian, and non-partisan.

(B) Within the framework and limitations of these purposes:

- (i) to assist in developing, sustaining, holding and increasing the facilities and programs of the Fox River Grove Schools for educational and recreational opportunities for and services to its staff, participants and community by encouraging gifts of money and property and by such other means as may seem advisable from time to time, and other activity deemed appropriate in support of and on behalf of the Fox River Grove Schools;
- (ii) to receive and hold or disburse gifts; to act without profits as trustee of educational, recreational or charitable trusts; to administer gifts, grants or loans of money or property, real or personal, whether made by public governmental, educational, or recreational bodies, local, state or national, or by corporations or natural persons, and whether in the form of conventional express trusts or otherwise; to become a party to contracts, trust instruments and agreements of any type or description and to execute negotiable instruments as trustee or otherwise; to execute negotiable obligations, as trustee or otherwise in order to effectuate either the creation or organization of trusts for the execution of the purpose hereof. Where the terms and conditions imposed by the donors of any forms of gifts make immediate transfer to entities other than the PTO right and proper, the PTO shall transfer absolutely and in full all right, title to an interest in such property transferred, assigned or conveyed by any and all persons whatsoever, whether such property be in the form of money, real or personal property, to or for the use and benefit of the specified entity, subject to said terms and conditions of said donors and subject also to the right of the specified entity to refuse such proffered gifts, if conditions attached thereto be deemed unsatisfactory or unacceptable. Whenever any such gift, when made as memorials, involve maintenance, provision for such maintenance

shall be included in the gift unless this requirement is waived by the Board of Directors of the PTO; and

(iii) to do such other acts and undertake such other enterprises as in the judgment of the Board of Directors of the PTO shall tend to promote the interests and welfare of the Fox River Grove Schools.

(C) To make contributions to organizations that qualify as exempt organization under that Section 501(c)(3) of the Internal Revenue Code of 1954.

## **Section 5. GENERAL PROVISIONS**

(A) No part of the net earnings of the PTO shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the PTO shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes. No substantial part of the activities of the PTO shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the PTO shall not participate in, or intervene in (including publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the PTO shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954.

(B) Upon the dissolution of the PTO, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the PTO, distribute all assets, both real and personal, to Fox River Grove District 3 for its educational fund, being qualified as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 ("Code"), or if such organization or organizations have dissolved or are unwilling or unable to accept said assets under the conditions of Section 501(c)(3) of the Code, to another such organization or organizations organized and operated exclusively for charitable, religious, scientific, educational or recreational purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of Code, and shall use said assets exclusively for the purposes of the PTO in such manner, or as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of McHenry County, Illinois, exclusively for such purposes or to such

organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

- (C) The PTO shall distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954. Further, the PTO shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954 not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, nor make any investments in such manner as to incur tax liability under Section 4944 of the Internal Revenue Code of 1954, nor make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954.
- (D) All references in these By-Laws to particular sections of the Internal Revenue Code of 1954 shall mean and include, as now enacted or as hereafter amended, such section and any provision of Federal law as is or may be hereafter applicable.

## **ARTICLE II - MEMBERSHIP**

- (A) Membership in the PTO shall be voluntary.
- (B) It shall be a requirement for members of the PTO to be either
  1. the parent or legal guardian of a child enrolled in Algonquin Road School or Fox River Grove Middle School, or else
  2. staff at Algonquin Road School or Fox River Grove Middle School.
- (C) There shall be no dues to be a member of the PTO.
- (D) Members shall only have voting rights in the election of the Board of Directors.

## **ARTICLE III - MEETINGS**

### **Section 1. REGULAR MEETINGS**

Regular Meetings shall be held monthly during the academic year. Regular Meetings shall be open to all members. Public notice of all Regular Meetings shall be given at least seven days prior to the meeting.

## **Section 2. SPECIAL MEETINGS**

Special Meetings may be called by the Chairman at his discretion, and must be called by the Chairman on the written request of two (2) or more members of the Board of Directors. Special Meetings shall be called at any reasonable time and place determined by the Chairman, but no later than (2) weeks after such request for a meeting has been received by the Chairman or within such time as is necessary for the Chairman to receive approval of the date of meeting from the Directors. Public notice of any Special Meeting shall be given at least three days prior to the meeting.

## **Section 3. CHANGE IN MEETING DATES**

Public notice of any change in meeting dates or times shall be given at least three days prior to the meeting.

## **Section 4. PLACE OF MEETING**

If no designation is made, the place of meeting shall be the registered office of the PTO in the state of Illinois.

## **Section 5. QUORUM**

A minimum of seven members, three of whom must be Directors, must be present to form a quorum at a properly called meeting.

In the absence of a quorum, no legal action can be taken unless such action later is approved by letter or other vote of record by sufficient additional members of the Board of Directors to constitute a quorum.

## **Section 6. VOTING**

- (A) Members shall have voting rights as described in Article II. A simple majority vote of the members, providing a quorum is present, at any properly called meeting shall be required for the transaction of business.
- (B) The Board of Directors shall have voting rights, not limited to those cases as described in Article II, at any properly called meeting, providing a quorum is present. A simple majority vote shall be required for the transaction of business. The Chairman shall vote only in the event of a tie, or in the case of a secret ballot.

## **Section 7. DISCUSSIONS**

Discussions resulting from a main motion shall be conducted in an orderly but not too formal manner, as described in Article IX. Respect and fairness shall preside.

## **ARTICLE IV - GOVERNING BODIES**

The governing bodies of the PTO shall be the Board of Directors (hereafter, "Board"), as described in Article V, and the Executive Board (hereafter, "Officers"), as described in Article VI.

## **ARTICLE V - BOARD OF DIRECTORS**

### **Section 1. POWER AND DUTIES OF THE BOARD OF DIRECTORS**

The Board of Directors shall manage the affairs of the PTO and shall exercise all of its powers, consistent with these By-Laws and applicable state and federal laws.

Duties of the Board include, but are not limited to:

- (A) Electing, from among its own number, the Executive Board, as set forth in Article VI, Section 3;
- (B) Governing the organization by establishing broad policies and objectives;
- (C) Ensuring the availability of adequate financial resources;
- (D) Approving annual budgets and special allocations;
- (E) Accounting to the membership for the organization's performance.

### **Section 2. MEMBERSHIP OF THE BOARD OF DIRECTORS**

The Board of Directors shall comprise nine (9) members.

At the initial meeting of the Board of Directors, which shall be immediately following the installation of its members by the previous Board as described in this Article V, Section 3, the Directors may elect a Chairman and a Secretary of the Board from among their number by simple majority vote.

- (A) The CHAIRMAN of the Board of Directors shall:
  - 1. Preside at Regular and Special Meetings of the PTO;

2. Be a member ex-officio of all Board Committees and retain all committee reports;
3. Act as liaison between the PTO and the school administration, or else delegate this responsibility;
4. Represent the PTO at all school and outside organizations, or else delegate this responsibility;
5. Oversee the election and installation of the Executive Board as described in Article VI, Section 3 at the initial meeting of the Board.

(B) The SECRETARY of the Board of Directors shall:

1. Preside at Regular and Special Meetings of the PTO in the event that the Chairman is unable to attend and has not delegated this responsibility to another Director;
2. Keep complete and accurate minutes from all Regular and Special Meetings of the PTO;
3. Provide a current copy of these By-Laws and any associated Policies of the PTO upon request;
4. Maintain the correspondence of the PTO.

### **Section 3. ELECTION AND INSTALLATION OF DIRECTORS**

(A) NOMINATING COMMITTEE

In the month of January, the Executive Board shall form a Nominating Committee. To the extent possible, the Nominating Committee shall comprise members who are not running for a position as a Director.

From the date of the Regular Meeting in March through April 30th, nominations for Directors shall be accepted. Any candidate who expresses interest after April 30th shall not be printed on the ballot and shall be considered a write-in candidate.

Any candidate for Director is required to be a member of the PTO. No person shall serve as a Director and serve on the Board of Education simultaneously.

(B) ELECTION DATE

The election of Directors shall take place at the Regular Meeting in May.

(C) VOTING PROCEDURE

Upon arriving and signing in, members shall receive a ballot from the Secretary. Ballots shall be distributed immediately prior to the meeting and during the time allotted for voting only.

Ballots shall be provided by the Nominating Committee. Ballots shall list the names of the candidates for the Board and shall provide space for write-in candidates. Ballots shall instruct voters to choose up to nine (9) of the candidates, including write-in candidates.

After the meeting is called to order, voting shall take place in a timely manner. Members shall place their completed ballots into a ballot box, which shall be provided by the Nominating Committee.

At the end of the time allotted for voting, the Secretary shall count the ballots and announce the results. The nine candidates who individually receive the greatest number of votes shall be the Board-elect.

In the event that a Director-elect is present and declines the position, the position shall be offered to the candidate who received the greatest number of votes after those candidates who won election to the Board.

In the event of a tie that would result in the election of more than nine (9) Directors, there shall be a second ballot, on which the names of the tied candidates shall appear, along with instructions for voters to choose the appropriate number of candidates. Write-in candidates shall not be permitted. The Nominating Committee shall create and the Secretary shall distribute the ballots. The second ballot vote shall be completed by the end of meeting.

(D) INSTALLATION OF DIRECTORS

Any Director so elected shall sign a written notice that he has read and will abide by the By-Laws of the PTO and that he accepts the position of Director. This notice must be signed within one month or by the date of the next Regular or Special Meeting of the PTO, whichever comes first.

Directors shall be installed and assume their duties during the Regular Meeting in June.



#### **Section 4. TERM OF DIRECTORS**

- (A) All Directors shall serve terms of one year or the first to occur of their resignation, cessation of their children's principle residence in the Fox River Grove Community, cessation of their position as staff in School District 3, death or removal for cause. The words "principle residence" shall mean the present intention to establish and maintain one's primary residence within the Fox River Grove Community. In the event of a factual dispute over this issue, a majority vote of the Board of Directors shall be the final decision maker on the issue.
- (B) There is no term limit for Directors.

#### **Section 5. REMOVAL OR RESIGNATION OF DIRECTORS**

Any Director may be removed for cause by a majority vote of the Board of Directors, upon notice of charges against that Director given in writing by the Chairman or the Secretary, at least twenty (20) days before action on his removal is taken. The resignation of a director for any reason may be accepted by a majority vote of the Board of Directors.

#### **Section 6. VACANCIES IN THE BOARD OF DIRECTORS**

- (A) In the event of a vacancy in this category, the current Chairman shall appoint a four (4) person nominating committee which shall seek to nominate, from the membership of the PTO, those who can best provide effective and dynamic leadership. To the extent possible, the nominating committee shall consist of four (4) current members of the PTO. In its evaluation, the committee may consider all relevant factors, including, but not limited to, standing in the community, relevant educational, recreational, business or practical experiences, and past contributions to the PTO or the Fox River Grove Community.
- (B) A majority vote of the Board of Directors shall be required to elect a nominated candidate to a position on the Board of Directors.
- (C) A Director so elected to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

#### **Section 7. COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors shall have full power to constitute such committees as it deems necessary or desirable to advise or assist it in the transaction of the business of the

corporation. The members of such committees need not be Directors of the corporation. Each such committee shall have only the authority and responsibility which is expressly delegated to it by the Board of Directors at the time the committee is organized or from time to time thereafter.

## **ARTICLE VI - EXECUTIVE BOARD**

### **Section 1. POWER AND DUTIES OF THE EXECUTIVE BOARD**

The Officers of the Executive Board shall manage the day-to-day business of the PTO.

Duties of the Executive Board include the design, development, and implementation of strategic plans in a cost-effective and time-efficient manner.

### **Section 2. MEMBERSHIP OF THE EXECUTIVE BOARD**

All members of the Board of Directors shall hold an Executive position and have a vote on the Executive Board. The Board shall use its own discretion in determining which Officer positions to fill and how many Members at Large to elect.

The following Officer positions, when held by a member of the Board, shall compose the Executive Board: President, Vice President, Associate Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, and Members at Large.

(A) The PRESIDENT shall:

1. Be responsible for the day-to-day operation of the organization, including managing committees formed by the Executive Board;
2. Be accountable to the Chairman of the Board and report to the Board on a regular basis.

(B) The VICE PRESIDENT shall:

1. Perform the duties of the President in the event of his absence or disability;
2. Chair the Nomination Committee;
3. Identify and guide fundraising activities;
4. Share the duties of his office with the Associate Vice President in such a manner as is agreeable to both Officers.

(C) The ASSOCIATE VICE PRESIDENT shall:

1. Share the duties of his office with the Vice President in such a manner as is agreeable to both Officers.

- (D) The SECRETARY shall:
1. Preside at Meetings in the event that the President, Vice President, and Associate Vice President are unable to attend;
  2. Keep complete and accurate minutes from all Meetings;
  3. Provide a current copy of these By-Laws and any associated Policies of the PTO upon request;
  4. Help with correspondence as needed.
- (E) The ASSISTANT SECRETARY shall:
1. Aid the Secretary in executing the duties of his office in such a manner as is agreeable to both Officers.
- (F) The TREASURER shall:
1. Preside at Meetings in the event that the President, Vice President, Associate Vice President, Secretary, and Assistant Secretary are unable to attend;
  2. File necessary tax forms for the fiscal year served;
  3. Provide a detailed financial report at each Regular Meeting of the PTO;
  4. Chair the Finance Committee;
  5. Propose an annual budget for approval.
- (G) The ASSISTANT TRESURER shall:
1. Aid the Treasurer in executing the duties of his office in such a manner as is agreeable to both Officers.
- (H) Any MEMBER AT LARGE shall:
1. Monitor executive activity in order to constructively challenge and contribute to the development of strategy.

### **Section 3. ELECTION AND INSTALLATION OF OFFICERS**

The Board of Directors shall elect the Officers of the Executive Board from among its own number immediately following its installation at the Regular Meeting in June.

Officers shall be installed and assume their duties during the June meeting following the May election. The newly elected Treasurer shall be installed at the June meeting, but shall assume duties July 1<sup>st</sup>, after the annual commitments have been approved. Any officer elected shall sign a written notice that he accepts the position to which he has been elected and that he has read and will abide by the By-Laws of the PTO.

#### **Section 4. TERM OF OFFICERS**

- (A) Officers shall serve for a term of one year.
- (B) Officers shall serve for a limit of two consecutive years in any given position on the Executive Board.
- (C) However, if there is no successor, the current Officer may, if elected by the voting members, continue his role for an additional one-year term or until a successor is elected and installed.

#### **Section 5. REMOVAL OR RESIGNATION OF OFFICERS**

Any Officer may be removed for cause by a majority vote of the Board of Directors, upon notice of charges against that Officer given in writing by the Chairman or Secretary of the Board, at least twenty (20) days before action on his removal is taken. The resignation of an Officer for any reason may be accepted by a majority vote of the Board of Directors.

#### **Section 6. VACANCY IN THE EXECUTIVE BOARD**

- (A) In the event of a vacancy in this category, the current Chairman of the Board of Directors shall appoint a four (4) person nominating committee which shall seek to nominate, from the membership of the PTO, those who can best provide effective and dynamic leadership. To the extent possible, the nominating committee shall consist of four (4) current members of the PTO. In its evaluation, the committee may consider all relevant factors, including, but not limited to, standing in the community, relevant educational, recreational, business or practical experiences, and past contributions to the PTO or the Fox River Grove Community.
- (B) A majority vote of the Board of Directors shall be required to elect a nominated candidate to a position on the Executive Board.
- (C) An Officer so elected to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

#### **Section 7. MEETINGS OF THE EXECUTIVE BOARD**

The Executive Board may provide by resolution the time and place for the holding of its Meetings. Appropriate notice shall be given to Officers.

## **Section 8. SPECIAL MEETINGS OF THE EXECUTIVE BOARD**

Special Meetings may be called by the President at his discretion, and must be called by the President on the written request of two (2) or more Officers. Special Meetings shall be called at any reasonable time and place determined by the President, but no later than (2) weeks after such request for a meeting has been received by the President or within such time as is necessary for the President to receive approval of the date of meeting from the Officers. Appropriate notice shall be given to Officers.

## **Section 9. QUORUM**

A minimum of three Officers, not all of whom are Members at Large, must be present to form a quorum at a properly called meeting.

## **Section 10. VOTING**

A simple majority vote shall be required for the transaction of business. The President shall vote only in the event of a tie, or in the case of a secret ballot.

In the absence of a quorum, no legal action can be taken unless such action later is approved by letter or other vote of record by sufficient additional members of the Executive Board to constitute a quorum.

## **Section 11. COMMITTEES OF THE EXECUTIVE BOARD**

The Executive Board shall have full power to constitute such committees as it deems necessary or desirable to advise or assist it in the transaction of the business of the corporation. The members of such committees need not be Officers of the corporation. Each such committee shall have only the authority and responsibility which is expressly delegated to it by the Executive Board at the time the committee is organized or from time to time thereafter.

## **ARTICLE VII – CONFLICT OF INTEREST POLICY**

### **Section 1. PURPOSE**

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

## **Section 2. DEFINITIONS**

- (A) Interested Person
  - (i) Any director, principle officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
  
- (B) Financial Interest
  - (i) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
    1. An ownership or investment interest in any entity with which the PTO has a transaction or arrangement,
    2. A compensation arrangement with the PTO or with any entity or individual with which the PTO has a transaction or arrangement, or
    3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the PTO is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
    4. A financial interest is not necessarily a conflict of interest. Under Article 14C, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## **Section 3. PROCEDURES**

- (A) Duty to Disclose
  - (i) In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
  
- (B) Determining Whether a Conflict of Interest Exists
  - (i) After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest

is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(C) Procedures for Addressing the Conflict of Interest

- (i) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (ii) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (iii) After exercising due diligence, the governing board or committee shall determine whether the PTO can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the PTO's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(D) Violations of the Conflicts of Interest Policy

- (i) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Section 4. RECORDS OF PROCEEDINGS**

The minutes of the governing board and all committees with board delegated powers shall contain:

- (A) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the

financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

- (B) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## **Section 5. COMPENSATION**

- (A) A voting member of the governing board who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
- (B) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the PTO for services is precluded from voting on matters pertaining to that member's compensation.
- (C) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the PTO, either individually or collectively, is prohibited from providing information to any committee regarding compensation, contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

## **Section 6. ANNUAL STATEMENTS**

Each director, principle officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (A) Has received a copy of the conflicts of interest policy,
- (B) Has read and understands the policy,
- (C) Has agreed to comply with the policy, and



- (D) Understand the PTO is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Section 7. PERIODIC REVIEWS**

To ensure the PTO operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (A) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- (B) Whether partnerships, joint ventures, and arrangements with management organizations conform to the PTO's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

### **Section 8. USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article 14G, the PTO may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE VIII - PARLIAMENTARY AUTHORITY**

Robert's Rules of Order, newly revised, shall govern the PTO in all cases to which they are applicable and in which they are not inconsistent with these By-Laws.

## **ARTICLE IX - ANNUAL AUDIT**

The President can call an audit of the Treasurer's books at any time.

## **ARTICLE X - AMENDMENTS**

These By-Laws can be amended by a two-thirds (2/3) majority vote at any properly called meeting providing that appropriate notice was given at a prior Regular Meeting or at a Special Meeting held no fewer than three days in advance and then posted.