

**CONSTITUTION
of the
CENTRAL DISTRICT CONFERENCE**

(Who We Are)

Article I. Name and Purpose

The name of this organization shall be “Central District Conference,” an affiliation of congregations that covenant together in common life and mission. Central District Conference is a member conference of Mennonite Church USA.

The purpose of Central District Conference, a member conference of Mennonite Church USA, is to promote community among congregations, to serve as a resource for pastors and congregations, and to facilitate the reign of God by providing channels through which congregations and pastors may work.

Article II. Our Common Faith and Mission

Vision:

God calls us to be followers of Jesus Christ and, by the power of the Holy Spirit, to grow as communities of grace, joy and peace, so that God’s healing and hope flow through us to the world. (*Adopted November 15, 2003*)

Mission Statement

The mission of Central District Conference is to know Christ’s abundant love in who we are and how we live, and to answer God’s persistent call to share that love with one another and the world by:

- Promoting a Christ-like community of hospitality where all are welcome and where grace-filled relationships flourish, and patience and generosity are practiced,
- Calling and nurturing wise, dynamic and compassionate Anabaptist leadership,
- Supporting missional partnerships that make God’s reign visible and foster ministries of evangelism, peace, healing and hope.

KNOWING CHRIST’S LOVE . . . ANSWERING GOD’S CALL

As members of Mennonite Church USA (MC USA), we are guided by the statement of faith as addressed in the *Confession of Faith in a Mennonite Perspective, 1995* and MC USA approved documents.

Article III. Membership

Section A: Expectations:

Every member congregation shall meet the following requirements:

- (a) It shall have a statement of purpose/faith in keeping with this constitution and vision of MC USA.
- (b) It shall have a viable strategy and leadership appropriate for the above purpose.
- (c) It shall demonstrate a commitment to become an established congregation in the community.
- (d) It shall have a definitive membership.

Conference expectations of congregations include regular participation in conference, giving and receiving counsel, providing regular financial support and willingness for members to serve in leadership positions.

Section B: Application for membership

Congregations attain Full Membership upon Conference delegate approval of the Board of Directors' recommendation. Congregations may attain Provisional Membership upon approval of the Board of Directors. The Board of Directors shall establish policies and procedures for congregations to attain membership in the conference.

Section C: Change or Withdrawal

1. *Changing Conference relationship:* When a CDC congregation wishes to alter conference membership

within MC USA, the CDC Conference Minister and Board of Directors will process with that congregation on the basis of MC USA Guidelines.

2. *Ending Conference relationship:* If a congregation wishes to end membership in CDC and MC USA, the Conference Minister, in consultation with the Board of Directors, will establish with the congregation the appropriate steps that provide for giving and receiving counsel, for communication within the congregation and with the congregations of CDC, and for delegate recognition of the congregation's decision to leave the Conference.

Article IV: Amendments

Section A: Amendment

This constitution may be amended at any regular meeting of the Conference by a two-thirds majority of the votes cast. Notice and a copy of such proposed amendment shall be given to the congregation at least 30 days before the time of meeting.

Section B: Review

This document shall be reviewed every five years.

Article V: Purposes and Limitations of Corporate Authority

Section A: Purposes

Central District Conference (the Corporation) is organized and operated exclusively for religious purposes in accordance with section 501(c)(3) of the Internal Revenue Code of 1986 (or a corresponding provision of any future United States Internal Revenue law, referred to below as the "Code"). More specifically, the Corporation, as a subordinate organization of Mennonite Church USA, is organized to promote community among congregations, to serve as a resource for pastors and congregations, and to facilitate the reign of God by providing channels through which congregations and pastors may work.

Section B: Limitations of Corporate Authority

- A. The Corporation, being organized exclusively for religious purposes, may make distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Code.
- B. No part of the net earnings of Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 5 above.
- C. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.
- D. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income tax under section 501(c)(3) of the Code or (2) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.
- E. Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation, exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for religious purposes, as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the appropriate court of law of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for exempt purposes.

BYLAWS OF CENTRAL DISTRICT CONFERENCE

(How We Are Organized)

Bylaw 1. Delegate Assembly

Section A: Meetings

Conference shall meet in regular session annually in response to invitation from congregations or as arranged by the Board of Directors. Special meetings may be called by the Board of Directors upon thirty days' notice.

All meetings shall be conducted in accordance with generally accepted parliamentary procedure.

Section B: Delegates, Voting and Floor Privileges

1. Representation and Voting: Every member congregation of the Conference shall have the right to be represented by one vote for every thirty members or fractional part of that number, with a minimum of two delegates from each congregation. In addition to the above delegates, every member congregation is encouraged to appoint one high school age youth delegate who is an active participant of the congregation and youth group. This will be an additional voting delegate.
2. Delegate Forms: Proper delegate forms shall be sent to all member congregations by the Conference administrator, and these forms shall be returned to the Conference administrator designating all delegates before or by the opening session of the annual meeting.
3. Floor Privileges: Any member of a constituent congregation present at Conference sessions may participate in discussion on the conference floor. Other guests present are welcome to join open discussion in the spirit of Christian love and mutual helpfulness.

Section C: Annual Reports

All boards, committees, appointed positions, Conference ministry staff, and the Treasurer shall present written reports of their work to the Conference at the regular annual meeting.

Section D: Gifts Discernment Committee, Nominations, Elections and Appointments

1. Gifts Discernment Committee: This committee shall consist of six members appointed by the Board of Directors. Two shall be appointed each year for a term of three years. The Conference Minister shall be an ex-officio member of the committee. The committee shall prepare a slate of available positions for presentation to delegates at the annual meeting after it has been approved by the Board of Directors. The committee shall assist the Board of Directors and other committees as requested to make appointments, both within the conference and for denominational roles.
2. Nominations/Elected Positions: A studied effort shall be made to maintain a proper continuity in the overall organization of the Conference in its various aspects and at the same time to effect a reasonable rotation of personnel. Nominations should be made with sensitivity and balance with regard to the makeup of the conference. Two successive terms for elected positions is the usual maximum. No one shall be elected to more than one standing committee at the same time.
3. Appointments: For vacated positions needing to be filled between annual meetings, the Board of Directors shall appoint persons, who will serve the remainder of the term. Persons appointed to complete a vacated term are eligible to be elected to two full terms.

Section E: Resolutions Committee

This committee shall consist of two or more members appointed by the Board of Directors. One member shall be appointed each year for a term of three years. The committee shall seek to determine the most salient matters on which, or to which, the Conference should speak; then formulate and submit a proposed statement of the Conference position in relation thereto.

Section G: Conference Year

The conference year shall begin with the close of the annual meeting and extend through the annual meeting the following year. All elected positions shall be governed by the conference year. The fiscal year begins July 1 and extends through June 30 of the following year.

Bylaw 2. Conference Leadership and Structure

Section A: Incorporation and Officers.

Central District Conference of the Mennonite Church USA, is a corporation now existing and incorporated under the laws of the State of Illinois. The purpose of Central District Conference is to promote community among congregations, to serve as a resource for pastors and congregations, and to facilitate the reign of God by providing channels through which congregations and pastors may work.

Section B: Legal Authorities and Responsibilities.

1. Said Conference in its corporate capacity shall have the power to hold title to property, receive and hold intangibles in all forms, dispose of properties when the interests of the Conference are served by doing so, and have such powers and privileges granted under the General Not-For-Profit Corporation Act of the State of Illinois, as amended from time to time.
2. All conveyances of real estate shall be executed at the direction of the corporation by the president and attested by the secretary, and when the corporate seal has been attached thereto any such conveyance shall be sufficient to convey title to corporation property without further authorization.
3. The Corporation will not participate in "activities in question" as determined by the Internal Revenue Service, specifically:
 - Providing housing through a partnership, joint venture or similar arrangement with any entity that is not described in IRC 501(c)(3) or 501(c)(4);
 - Functioning as a title-holding organization described in IRC 501(c)(2) or 501(c)(25);
 - Participating in gaming as its primary activity;
 - Credit counseling as a primary function;
 - Operating donor advised funds;
 - Functioning primarily for the benefit of fundraisers;
 - Being involved in down-payment assistance;
 - Functioning as a private foundation;
 - Being organized and operated in a foreign country.

Section C: Officers of Conference. The officers of the Conference shall consist of president, president-elect, secretary and treasurer.

1. Duties
 - a. The president shall preside at all meetings of the Conference, Board of Directors, Leadership Council and any specially called meetings.
 - b. The president-elect shall perform the duties of the president in the absence or upon request of the latter.
 - c. The secretary shall see that a correct record of all meetings and proceedings is kept and that conference reports and minutes are published in such manner as the Conference may direct.
 - d. The treasurer shall oversee the operational funds of the Conference and see that necessary payments are made on behalf of the Conference.
2. Elections and terms of office. The election of officers shall be by ballot at the regular meeting of Conference. A two-thirds majority of all delegates present shall decide. A president-elect shall be elected every two years, and upon completion of a two-year term of office as such shall automatically become the president for two years. The secretary and treasurer shall be elected for terms of three years. All officers shall take office at the close of the annual meeting at which elected and shall remain in office until their successors take office. (For tenure of officers refer to Bylaw 1, Section D.2.)

Section D: The Board of Directors. The affairs of Central District Conference shall be managed by a Board of Directors which shall consist of the officers of the Conference and three Members-at-Large. The Conference officers shall serve in their various capacities as the respective officers of the Board of Directors.

1. Duties. The duties of the Board of Directors shall include but shall not be limited to the following:
 - a. It shall serve as custodians, or investors, of surplus or reserve funds which may accrue to Conference committees or auxiliaries, until such funds may be needed for the furtherance or expansion of the work of the committee or auxiliary concerned.
 - b. It shall meet and act upon matters as needed between annual Conference sessions.
 - c. It shall have power to fill vacancies in the Conference organization or on committees and boards, such persons to serve the remainder of the unexpired term.
 - d. It shall keep informed regarding the various phases of the work of the Conference and its auxiliary organizations with a view of correlating and facilitating those activities.
 - e. It shall see that Conference finances are audited on a regular basis.
 - f. It shall appoint the editor of the Conference publication, which shall be made available to all the

- congregations in the Conference. The Board of Directors shall have general supervision of the publication work of the Conference.
- g. It shall make appointments to churchwide and other bodies as needed, including delegates to the MC USA Assembly.
 - h. It shall receive and review the reports of the activities of the Conference Minister.
 - i. It shall encourage and monitor relationships with other conferences, especially those conferences with geographic overlap with CDC.
 - j. It shall appoint a Historian who shall relate to the archival system of CDC and MC USA.
2. Elections and terms of office.
- a. The three Members-at-Large are to be elected by the Conference, one each year for a term of three years.
 - b. See Section C. 2. for election and terms of office for the officers of the Conference.

Section E: Committees. The Ministerial, Missional Church, and Stewardship Committees provide leadership and resources to carry out the priorities and ministries of Central District Conference. These committees shall be elected or appointed in the manner and for the purposes hereinafter defined. Task groups may be appointed by these committees in such manner, for such purpose, and at such times as the Conference shall see fit. (For tenure of committee members refer to Bylaw 1, Section D.2.)

1. Ministerial Committee
 - a. Election. This committee shall consist of six members, at least three of whom shall be pastors. Two shall be elected each year for a term of three years. The Conference Ministry staff will serve as ex-officio member(s).
 - b. Duties.
 - (1) It shall be the duty of the Ministerial Committee to be available to churches and pastors in their church-pastor relationship, offering their counsel, support, and service as needed.
 - (2) The committee shall counsel with congregations seeking pastoral leadership with pastors called to serve congregations in the District. In cooperation with congregations they shall examine candidates for pastoral, chaplaincy, and missionary service, grant licenses, and perform ordinations (see *A Mennonite Polity for Ministerial Leadership* for procedures), and assist in a service marking the beginning of a person's ministry.
 - (3) The committee shall provide opportunities for personal growth and professional improvement for pastors.
 - (4) The committee shall give attention to the call and nurturing of Anabaptist leadership. It shall link with the MC USA Ministerial Leadership and Congregational Life Team.
2. Missional Church Committee
 - a. Election. This committee shall consist of seven members, two or three elected each year for three year terms. The Conference Ministry staff are ex-officio members. Individual committee members may have experience and expertise in various facets of congregational life, such as worship, nurture, evangelism, education, peace and justice. It will intentionally link with MC USA resources.
 - b. Duties.
 - (1) This committee will encourage use of denominational and conference resources, nurturing congregations in developing and mobilizing their missional potential.
 - (2) This committee will be alert to congregational needs and special interests, linking congregations to appropriate resources and to other congregations with similar interests.
 - (3) This committee will encourage missional partnerships.
3. Stewardship Committee
 - a. Appointment. This committee shall consist of the Treasurer (ex-officio), Conference Ministry staff (ex-officio), and additional members appointed by the Board of Directors. Additional members shall be appointed for four-year terms.
 - b. Duties.
 - (1) Recommend financial policy and direction to the Board of Directors which includes: management of funds, bookkeeping, auditing procedures, salary levels, formulating the annual spending plan, and monitoring conference income and expenditures.
 - (2) Create and manage a long-range development plan.
 - (3) Develop and promote a vision of stewardship for the conference and link with denominational

resources to meet that vision in the local congregations.

Section F: The Leadership Council. The Leadership Council shall be composed of the Board of Directors, the Ministerial Committee, the Missional Church Committee, and the Stewardship Committee.

Duties

- a. It shall meet periodically to provide discernment and give counsel to the Board of Directors and to each other on issues of life and faith in the Conference.
- b. The Board of Directors and chairs of the committees in the Leadership Council shall meet annually to assess the vision, mission, and goals of the Conference.

Bylaw 3. Conference Staff

Section A: Conference Minister

1. The Conference Minister shall be employed by the Board of Directors of the Conference, following consultation with chairpersons of committees and the pastors of the District. The Board of Directors shall determine a contract utilizing the guidelines set by MC USA. Subsequent renewals of the contract shall be the responsibility of the Board of Directors upon utilization of appropriate review procedures and such renewal shall be brought to the Conference for affirmation. The Conference Minister shall be responsible to the Conference through the Board of Directors and Ministerial Committee.
2. It shall be the duty of the Conference Minister to assist congregations in discerning and realizing their mission, and in securing pastors.
3. The Conference Minister shall serve as a representative of CDC to denominational and intra-conference meetings as requested by the Board of Directors.
4. The Conference Minister shall have general supervision of all conference staff.

Section B: Associate Conference Minister(s): The Board of Directors may employ Associate Conference Minister(s) to perform specified duties of the Conference Minister in certain capacities. The Associate Conference Minister(s) shall be employed in the same manner and as set out above for the Conference Minister.

Section C: Support Staff: Support staff may be employed as deemed necessary by the Board of Directors.

Bylaw 4: Conference Auxiliaries and Related Boards

Auxiliaries of the Conference are chapters of denominational organizations operating under their own organizational structure, which is approved by the Conference. Annual reports of such organizations shall be submitted to the Conference. Currently, such auxiliaries are Mennonite Men and Mennonite Women. In addition, CDC appoints board members to Chicago Mennonite Learning Center, MCC Great Lakes and Adriel School.

Section 1: Camp Friedenswald Board

A. Election.

1. The Camp Friedenswald Board shall consist, in part, of nine members elected by the Conference, three to be elected each year for a term of three years.
2. The Camp Friedenswald Board may also consist of an additional one to six at-large members, to be appointed by the Camp Friedenswald Board. At-large members shall serve a term of three years. All at-large appointments are to be approved by the Central District Conference Board of Directors, prior to their being asked to serve.

B. Duties

1. The Board shall be responsible for the care, maintenance, and development of the Camp Friedenswald property.
2. The Camp Friedenswald Board shall also formulate policies, plan overall program schedule, and appoint leaders to carry out the program.

Section 2: Bluffton University Trustees: CDC representatives to the Bluffton University Board of Trustees are elected by the Conference in accordance with the Bluffton University Board of Trustees policy and represent the university in the Conference and its constituent congregations.

Section A: Amendment

These bylaws may be amended at any regular meeting of the Conference by a two-thirds majority of the votes cast. Notice and a copy of such proposed amendment shall be given to the congregation at least 30 days before the time of meeting.

Section B: Review

This document shall be reviewed every five years.

Adopted June 2004
Updated June 2007
Updated June 2009
Updated June 2011
Updated June 2016
Updated June 2024

Policies and Procedures:

Communities of Faith Joining CDC

For Congregations Already Part of an MC USA Conference

Congregations which are members of another MC USA conference are expected to follow the process for changing conferences as outlined by MC USA leadership.

Congregations requesting membership with Central District Conference shall submit a written request to the CDC Board of Directors to begin the membership process. A congregation which has requested to join the Conference, has met membership criteria, and has been visited by a Conference representative(s) may be introduced by the Board of Directors to the Conference at an Annual Meeting. Congregations whose requests are received 120 days prior to the forthcoming Annual Meeting may be introduced at that Annual Meeting. Upon mutual agreement by the requesting congregation and the Board of Directors, the congregation will be presented to the delegates for affirmation of membership at the Annual Meeting following the year in which they were introduced. During the period between introduction and a delegate decision to affirm membership, the congregation is able and encouraged to participate fully in all conference activities except voting privileges.

Congregations Which Are Not Part of an MC USA Conference

A congregation or emerging community which is not part of an MC USA conference may apply at any time to join the Conference as a Provisional Member. Congregations or emerging communities attain provisional membership upon approval of the Board of Directors. Provisional Members must be working towards fulfilling the membership criteria. Provisional membership expires as of July 1 of each year and may be renewed for the following year by the Board of Directors prior to expiration. Provisional Members are encouraged to participate in conference activities but do not have voting privileges. Provisional Members derive membership in Mennonite Church USA and may apply for full membership in CDC following the process described in A.2 above.

A group which desires to relate to the Conference, but does not yet meet the membership requirements, or does not desire congregational status, is encouraged to participate in conference activities, but does not have voting privileges.

Membership Criteria

The CDC Board of Directors proposes the following criteria for all congregations seeking membership in CDC, namely that they shall:

- Keep Jesus Christ at the center of their faith and action
- Affirm commitment to congregational discernment that is biblically based, Christ-centered, and Spirit-led
- Be guided by the Mennonite Church USA *Vision: Healing and Hope* and *Confession of Faith in a Mennonite Perspective* (1995) [See CDC Constitution, Article II: Statement of Faith].
- Affirm the CDC statement on Conference Polity

- Meet the CDC constitutional requirements for membership (see Art. III, Section A)
(Includes being an established congregation with a definitive membership, participating regularly in conference, providing financial support, giving and receiving counsel, and willingness for members to serve in leadership positions).
- When applicable, follow MC USA guidelines for changing conference affiliation

Affirmed by delegates, June 2010

Task Group Formation Process

In response to special needs or interests Task Groups may be formed/created through an application process for the purpose of performing special duties and assignments. The purpose of task groups is to provide a venue for work that benefits and is shared among congregations within the conference.

****The application, including measurable goals will be approved by the Missional Church Committee.**

****A member of the Missional Church Committee will serve as a link between the Task Group, committee, and the Leadership Council of CDC.**

****The outcome of the work done by the task group will be shared with conference leadership and may be distributed among conference congregations.**

****If funds are requested, the Missional Church Committee will determine the means to procure funding needed, i.e., access funds through the Missional Fund, initiate fundraising.**

****Task Group assignments may run as long as needed to complete a task. If the assignment continues beyond three years, a renewal must be requested. The task group assignment will expire if no request for renewal is received.**

****Task Group members are encouraged to connect using technology of video (such as YouTube), telephone video conferencing (SKYPE) and internet using email, website links, etc, and other presentation methods such as Power Point.**

Missional Church Committee

May 2010

Reign of God Grants

Since a key purpose of conference is to facilitate our work together in mission, the Missional Church Committee designed *Reign of God Grants* to encourage missional activity among congregations. This Missional Church Committee program will match (1-1) money raised at the grassroots level to give the extra financial boost necessary for a new, cooperative missional initiative between two or more congregations. A missional initiative is any activity capturing and honoring God's continuing creative energy in establishing God's reign in the world.

Grant proposals may be submitted at any time during the fiscal year. Proposals should be no more than three pages in length and may be submitted online, by fax, or by postal mail. Individual grants will range from \$500 to \$2,500 will be given. Our goal is to distribute \$5,000 annually.

Grants must be used for:

- Missional initiatives based in the Central District region of the United States by Central District Conference congregations,
- Missional initiatives related to worship, nurture, evangelism, education, peace and justice, and creation care,
- New initiatives, or significantly new additions to current programs. Operating funds for existing programs will not qualify.

Decisions for funding will be made by the Missional Church Committee at the regularly scheduled committee meeting following submission of the application and funds will be distributed after receiving information that the matching funds have been raised.

Missional Church Committee

February 2011

Updated December 2015

Planning for Annual Meetings

Staff members will meet to orient local coordinators and worship planners from hosting congregations in the region in which the annual meeting is held. The planning day includes a review of logistical details and an on-

site facilities tour. Staff members also orient the local worship planners and help to begin the planning process. Planning is then turned over to the local coordinators and worship planners. Staff members collaborate with them throughout the planning process.

Affirmed by delegates, June 2016

Conflicts of Interest Policy

Section 1. Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation 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. Any director, principal, officer, or member of a committee with delegated powers from the Board of Directors, who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - (i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
 - (ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
 - (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

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

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

Section 3. Procedures.

- (a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors and members of committees with delegated powers from the Board of Directors considering the proposed transaction or arrangement.
- (b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interest person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is disclosed and voted upon. The remaining Board of Directors or committee members shall decide if a conflict of interest exists.
- (c) Procedure for Addressing the Conflict of Interest.
 - (i) An interested person may make a presentation at a Board of Directors 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 Board of Directors 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 Board of Directors or committee shall determine whether the Corporation 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 Board of Directors or committee shall determine by a majority vote of the disinterested Board of Directors whether the transaction or arrangement is in the Corporation'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 Board of Directors 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 disclosure.

- (ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of directors 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 Board of Directors and all committees with delegated powers from the Board of Directors 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 was present, and the Board of Directors' 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 Board of Directors who receives compensation, directly or indirectly, from the Corporation 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 Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements. Each director, principal officer and member of a committee with delegated powers from the Board of Directors 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) Understands the Corporation 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 Organization 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 Corporation'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 Section 7 above, the Corporation may, but need not, use outside advisors. If the outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.