

*HISTORICAL SOCIETY*  
*OF*  
*STILLWATER TOWNSHIP, INC.*

A New Jersey Nonprofit Corporation

**BYLAWS**

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## **MISSION STATEMENT**

It is the mission of The Historical Society of Stillwater Township, Inc. to foster and promote an interest in Stillwater area history through education and preservation of family information, cemetery records, artifacts, sites, and structures and maintain a historical and genealogical library and museum.

## **TITLE**

The society hereinafter provided for shall be called the Historical Society of Stillwater Township, Inc. and is duly incorporated as such (hereinafter "HSST"). Its offices shall be located at the Academy, 900 Main Street, Stillwater, New Jersey (hereinafter "Academy").

## **Article I: Purpose**

This corporation is organized exclusively for charitable and educational purposes under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

These bylaws establish rules and procedures for conducting the affairs of the corporation. They are binding on the Board of Trustees, on members of any committees established by the Board and on the corporation's officers, whether those persons served in the applicable capacity at the time these bylaws were adopted or were appointed or elected to the position at a later date. These bylaws are subject to the provisions of the New Jersey Nonprofit Corporation Act ("the Act") and the corporation's Certificate of Incorporation, as they may be amended from time to time. If any provision in these bylaws is inconsistent with a provision in the Act or the Certificate of Incorporation, the provision of the Act or the Certificate of Incorporation shall govern to the extent of such inconsistency. The

corporation may exercise all rights and powers conferred on nonprofit corporations by the laws of the State of New Jersey.

## **Article II: Objectives**

The objectives of HSST shall be to:

- 1) maintain the museum by collecting and preserving specimens of natural and archaeological history and papers and artifacts incident to the civil, political, military, and general history of Stillwater Township and the surrounding area;
- 2) record the genealogy of families of the area and to encouragement of new families to add to the Collection;
- 3) create and maintain a good historical reference library and assist, when possible, in preserving and protecting the buildings and historical treasures which give Stillwater Township and the surrounding area their special character and dignity;
- 4) maintain, preserve and protect the Academy and its grounds for educational and historical purposes;
- 5) conduct educational programs about local history and create exhibits with the purpose of educating anyone who visits the Academy; and
- 6) to perform appropriate duties in conjunction with the State of New Jersey (hereinafter "State") as a friend organization for the Stillwater Grist Mill. The scope of said duties shall be agreed with the State upon the State's appointment of friend status to HSST.

These objectives and activities shall include, but not be limited to, the restoration and beautification of various local areas. HSST seeks to help guard against the encroachment of organizations and commercial ventures that equate progress with the destruction of local historical

treasures. In keeping with this, HSST shall provide assistance in getting properties and township districts listed on the State and National Register of Historic Places. Lastly, all of the objectives shall be consistent with the Internal Revenue Codes required of organizations seeking to maintain tax-exempt status.

### **ARTICLE III: Definitions**

“Annual Meeting” shall mean the first Regularly-Scheduled Meeting of the calendar year.

“Collection” shall mean those items which are deemed to have historical value and which are owned by and are under the exclusive control of HSST.

“Contributing Member” shall mean those members of HSST who have paid lifetime dues, who are current members in Good Standing or who were Honorary Members prior to January 1, 2014.

“Good Standing” shall refer to those members who are current on the annual dues.

“Honorary Members” shall mean those members who have been designated as such by a vote of the Contributing Members.

“Officer” shall mean those elected by a Quorum at an Annual Meeting.

“Officers' Meeting(s)” may be called if a majority of the Officers deem it necessary.

“Quorum” shall mean at least three (3) persons, including at least one (1) Officer, present at a Regularly-Scheduled Meeting, including the Annual Meeting.

“Regularly-Scheduled Meeting” shall mean those meetings held on the third Saturday of each calendar month, beginning with March of each calendar year.

“Trustee” shall mean one of five (5) Contributing Members named to the post by a majority of the Officers.

**ARTICLE IV. Members**

The membership of HSST shall consist of Contributing and Honorary Members. Contributing Members shall be the only ones to vote and hold office in HSST. Honorary Members may be designated by a vote of the membership.

Dues are as follows and are subject to change at the Annual Meeting:

Student	\$10/year
Individual	\$20/year
Family	\$30/year
Lifetime	\$300

**ARTICLE V. Trustees**

There shall be five (5) Trustees of HSST.

The term of the Trustees shall be three (3) years from date of appointment and shall be staggered such that no more than two (2) Trustee slots are slated for appointment each year. Notwithstanding the foregoing, at the start of such schedule, five (5) Trustees shall be appointed with varied term lengths to achieve the staggered expiration dates.

Trustees shall be appointed by a majority of the Officers at the first Officers' Meeting each calendar year. If a Trustee cannot complete his/her term, a majority of the Officers shall appoint an interim Trustee to finish the remainder of the departing Trustee's term. Each Trustee shall attend

at least one Regularly-Scheduled Meeting each calendar year or his service shall be terminated.

The management and affairs of HSST shall be controlled by the Board of Trustees. Trustees may participate in meetings of the Board of Trustees by means of a conference telephone or similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting. A special meeting of the Board of Trustees may be called by the President or upon request of two (2) Trustees. A special meeting may be conducted via email, telephone or internet. Special meetings shall meet the quorum requirements of Article III herein.

Trustees shall conduct at least two (2) meetings per calendar year, the first such meeting no later than March 31<sup>st</sup>. Meetings may be scheduled by agreement among the Trustees or at the request of the Officers with the agreement of the Trustees. The Recording Secretary shall be in attendance at all Trustee meetings and shall provide minutes of each Trustee meeting to be presented at the next Regularly-Scheduled Meeting.

The Board of Trustees may, by resolution passed by a majority of the whole Board, designate an Executive Committee and one or more other committees. The Executive Committee (if there is one) shall consult with and advise the Officers of HSST in the management of its affairs and shall have and may exercise, to the extent provided in the resolution of the Board of Trustees creating such Executive Committee, such powers of the Board of Trustees as can be lawfully delegated by the Board.

## **ARTICLE VI. Officers**

The elected Officers of HSST shall be President, Vice President, Recording Secretary, Treasurer and Corresponding Secretary and any such Officers HSST shall deem necessary.

They shall be elected at the Annual Meeting and shall serve until their successor is elected. All Officers must be Contributing Members of HSST.

If an Officer cannot complete his/her term, a majority of the remaining Officers shall appoint an interim Officer to finish the remainder of the departing Officer's term.

#### **ARTICLE VII. Election and Term of Officers**

All Officers of HSST shall be elected by a majority of the Contributing Members present at the Annual Meeting. Each Officer shall hold office for one (1) year beginning the date of his election or until his successor is elected. All elections shall be by ballot in the event that there are nominations from the floor.

The President shall appoint a nominating committee of three Contributing Members no later than the meeting immediately prior to the Annual Meeting.

#### **ARTICLE VIII. Duties of the Officers**

The President shall preside at all meetings of HSST. In case the President cannot be present, he may delegate to the Vice President, or to any other Officer, any or all such duties and authority. The President or other presiding Officer shall have the deciding vote if necessary. The President shall act as spokesperson for HSST and should speak in accordance with the best interests of HSST.

The Vice President shall assume the duties of the President when the President is not available or able to carry on his duties. The Vice President may provide support to the Corresponding Secretary, upon his request.

The Recording Secretary shall record all meeting minutes and shall maintain a current list of Contributing Members. Said minutes shall be



approved as written or approved with changes by majority vote at the subsequent meeting. By December 31<sup>st</sup> of each year, the Recording Secretary shall submit to the Corresponding Secretary a list of Contributing Members up for renewal in the subsequent year.

The Corresponding Secretary shall pick up and distribute mail on a regular basis, write necessary letters, including dues renewal notices, and answer correspondence. Dues renewal notices shall be sent by March 31<sup>st</sup> of each calendar year.

The Treasurer shall be responsible for carrying out the financial activities of HSST, including, but not limited to, bill payment, deposits, investing, account maintenance and preparation of the annual report and financial statements as set forth in Article XVI herein. He shall report each month at the Regularly-Scheduled Meeting the condition of the treasury and of all monies received and paid out. The Treasurer shall be responsible for the financial administration policies and procedures of HSST to ensure that HSST is managed in a financially sound and responsible manner. He shall present a proposed budget at the first Regularly-Scheduled Meeting of the calendar year. It shall be discussed, revised if needed, and voted-upon as agreed by the Contributing Members.

At the beginning of his term of office, the Treasurer shall become familiar with and knowledgeable of the restrictions of the Tax Exempt Code of the IRS, preserve the status HSST enjoys under that law and maintain our objectives and goals within the letter of that law and its future revisions. The Treasurer shall be responsible for filing the annual Form 990N.

If any Officer is to be absent from a meeting he is to notify the President in advance. If any Officer has been absent from a Regularly-Scheduled Meeting four (4) times in a calendar year without an excusal by the President, his service as an Officer shall be terminated.

**ARTICLE IX. Committees**

A Grist Mill Committee of not less than three (3) Contributing Members shall be formed to take primary responsibility for carrying out the duty of the friend relationship.

A Finance Committee shall be formed consisting of, at least, the President, the Treasurer and one Trustee. Said Trustee shall be selected by a majority of the Trustees. The Finance Committee shall be responsible for identifying and researching major financial decisions and issues facing HSST, for submitting proposals to the membership for voting, fund-raising, and for assisting with the budget process.

A Fall Festival Committee of not less than three (3) Contributing Members shall be formed to plan and implement an annual Fall Festival.

A Special Events Committee of not less than three (3) Contributing Members shall be formed to plan and implement events for the public.

A Collection Committee of not less than three (3) Contributing Members shall be formed to keep accurate Collection records, plan and implement care for the Collection, and administer the Collection Policy set forth in Exhibit A.

Additional committees may be defined on an as-needed basis at the discretion of the Contributing Members. Such committees shall be ongoing until dissolved by a majority vote of the Contributing Members.

**ARTICLE X. Annual Meeting**

The agenda of the Annual Meeting of HSST shall include the election of Officers for the following year.

**ARTICLE XI. Acquisition and Disposition of Property**

The collection policy of HSST, addressing both accessions and de-accessions of property and items in the Collection is set forth in Appendix A, Collection Policy.

All persons who have had items loaned to HSST shall have a period of forty-five (45) days from the date of public published notice to claim their items. If loaned items are unclaimed, these items shall become the property of HSST.

Upon the dissolution of HSST and payment of all debts, the assets of HSST shall be distributed to another historical museum or organization exempt under Section 501(c)(3) of the Internal Revenue Code in accordance with a vote of a majority of the Trustees.

As of January 1, 2014, HSST will no longer accept loaned items for display in the museum or for the Collection for longer than thirty (30 days).

**Article XII. Parliamentary Authority**

Robert's Rules of Order Newly Revised, 11th Edition shall be the ruling authority on parliamentary usage in all meetings of HSST in all cases to which they are applicable and in which they are not inconsistent with the bylaws of HSST.

**Article XIII. Order of Business**

The order of business at regular meetings of HSST shall be:

- 1) Call to order, welcome and reading of the mission statement
- 2) Salute to the flag
- 3) Approval of the minutes of the preceding meeting
- 4) Reports of officers
- 5) Reports of committees

- 6) Nominations and elections of officers (when necessary)
- 7) Old business and new business
- 8) Adjournment

#### **Article XIV. Voting**

Contributing Members may vote on motions submitted and seconded by other Contributing Members. All votes shall be submitted in person, vocally or by ballot, at a Regularly-Scheduled Meeting. Provided a Quorum is present, motions shall be deemed passed or failed when a majority of those Contributing Members present have voted in favor of the motion or against the motion.

#### **ARTICLE XV. Amendments**

Alterations and amendments to these bylaws and to this Constitution may be made at any Regularly-Scheduled Meeting provided that thirty (30) days' previous notice of the proposed alteration or amendment is presented to HSST Contributing Members.

#### **ARTICLE XVI. Books and Records**

The Recording Secretary shall send an annual report to the Members of HSST not later than four months after the close of each fiscal year. Such report shall be prepared by the Treasurer and shall include a balance sheet as of the close of the fiscal year and a revenue and disbursement statement for the year ending on such closing date. Such financial statements shall be prepared from and in accordance with the books of HSST, in conformity with generally accepted accounting principles applied on a consistent basis.

Any person who is a Contributing Member of HSST shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies from the relevant books and records of accounts and minutes of HSST. Upon the written

request of any Contributing Member, the Recording Secretary shall mail to such Member a copy of the most recent balance sheet and revenue and disbursement statement prepared by the Treasurer. If such request is received by HSST before such financial statements are available for its last fiscal year, the Recording Secretary shall mail such financial statements as soon as they become available. In any event, the financial statements must be mailed within four months after the close of the last fiscal year. Additionally, balance sheets and revenue and disbursement statements shall be filed in the registered office of HSST, shall be kept for at least five years, and shall be subject to inspection during business hours by any Contributing Member, in person or by agent.

#### **ARTICLE XVII. Nonprofit Operation**

HSST will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of HSST will be distributed to its Members, Trustees or Officers without full consideration. No Member of HSST has any vested right, interest or privilege in or to the assets, property, functions or activities of HSST. HSST may contract with its Members, Trustees or Officers without violating this provision.

#### **ARTICLE XVIII. Fiscal Year**

The fiscal year of the corporation shall be the calendar year, January 1 through December 31, inclusive.

#### **ARTICLE IXX. Indemnification**

HSST shall indemnify each Officer and Trustee, including former Officers and Trustees, to the full extent permitted by the New Jersey Nonprofit Corporation Act.

A Trustee or Officer shall not be personally liable to HSST or its members for damages for breach of any duty owed to HSST or its members, except that nothing contained herein shall relieve a Trustee or Officer from

liability for any breach of duty based on an act or omission: (a) in breach of such person's duty of loyalty to the corporation or its shareholders; (b) not in good faith or involving a knowing violation of law; or (c) resulting in receipt by such person of an improper personal benefit.

**ARTICLE XX. Dissolution**

The corporation may be dissolved by a two-thirds vote of the full contributing membership. Upon dissolution of HSST, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

Any assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation is then located, exclusively for public purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such public purposes.

**ARTICLE XXI. Restriction on Activities**

No part of any earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that HSST shall be authorized and empowered to pay reasonable compensation for services rendered.

No substantial part of the activities of HSST shall be the carrying on of political propaganda, or otherwise attempting to influence legislation, and HSST 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.

Notwithstanding any other provision of these articles, the corporation 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, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

**ARTICLE XXII. Gender**

Throughout this document, when the masculine, feminine or neuter gender is used in appropriately, it shall mean the appropriate gender and, unless the context requires otherwise, the singular shall mean the plural and vice versa.

**ARTICLE XXIII. Conflicts of Interest**

See Appendix B attached hereto.

**ARTICLE XXIV. Applicability of New Jersey Law**

The corporation has been formed pursuant to the laws of the State of New Jersey. These bylaws shall be construed in accordance with the New Jersey Nonprofit Corporation Act and any other applicable New Jersey state or federal laws.

Duly adopted by the membership this 11<sup>th</sup> day of May, 2017.

\_\_\_\_\_ Peter Harvey, President

ATTEST:

\_\_\_\_\_ Rob Jacoby, Treasurer

## **APPENDIX A**

### **Collection Policy**

#### **I. Preface**

As owner of its Collection, HSST is vested with ultimate responsibility for its safety and maintenance. It is the policy of HSST that the Collection shall be managed according to accepted standards.

#### **II. Purpose**

In operating its library and its museum, HSST collects, preserves, exhibits, and makes available for study materials of historical and educational significance for the purpose of satisfying its mission.

#### **III. Management and Care of Collections**

A. A Collection Committee shall be established pursuant to Article IX, herein.

B. All Collection Committee members shall be aware of their basic and continuing responsibility to preserve and protect collection objects. As appropriate, the committee shall prepare annual collection and exhibition plans.

#### **IV. Acquisitions**

A. Collection items, whether artifacts, books, documents, or specimens from the natural world, shall be acquired by gift, bequest, purchase, exchange or any transaction by which title to an object passes to HSST. In all cases, acquisitions should meet the basic acquisition criteria of the institution. These assume that the accepted collection items are:

1. consistent with the mission and purpose of HSST;



2. useful in HSST's educational, exhibition, research or interpretation activities;
3. received in reasonably good condition so that they may be preserved with as little alteration as possible;
4. accompanied by verifiable provenance data; and
5. unencumbered by donor or other restrictions.

B. HSST also accepts non-collection items: materials donated to HSST but not appropriate for the Collection. These objects may be used for resale, interpretation, library, functional or other purposes. After notification of and approval by the President, the acceptance of these gifts shall be in writing by the Collections Committee on a form other than the collection gift form.

C. In consultation with the Officers, the Collection Committee shall determine the appropriateness of an object for the Collection and the conditions under which it shall be approved for accessioning (formal inclusion) or de-accessioning (permanent removal).

D. Under supervision of the Officers, the Collection Committee shall manage the Collection and recommend all accessions and de-accessions. The Collection Committee shall be authorized to accept collection objects into the temporary custody of HSST. All intended gifts shall have a signed receipt. All acquisitions shall be promptly accessioned upon acceptance and receipt.

## **V. Donations**

A. All donations are considered outright and unconditional gifts to be used at the discretion of HSST. In consultation with the Officers, the Collection Committee will indicate the accession of each donated object or its designation as a non-collection gift at the time of acceptance.

B. The valuation of each gift remains the donor's responsibility. Neither HSST nor its staff shall appraise or otherwise value objects for donors or prospective donors. The donor's valuation of the gift is, however, part of its provenance and shall be recorded by HSST.

C. Collection materials shall be retained as long as they continue to be relevant to the purposes and activities of HSST, they maintain their physical integrity and can be properly stored and preserved. Because HSST periodically changes exhibits, no object can be considered for permanent exhibit. Accessioned objects may be used for exhibition, study, research, loan, examination or de-accession.

## **VI. De-accessions**

A. The de-accession process shall be judicious, deliberate, and scrupulous. Objects shall be permanently removed from the collections upon the recommendation of the Collection Committee with the approval of the President and three (3) of the Officers. Notwithstanding the foregoing, if the estimated value of the proposed de-accession is greater than \$1000, the Trustees shall approve such de-accession.

In all cases, de-accessions shall meet one or more of the following criteria:

1. no longer relevant or useful;
2. deteriorated beyond repair or consumed in use;
3. failed to retain its identity or authenticity;
4. beyond the capability of HSST to properly preserve;
5. duplicated or redundant; or
6. more appropriately placed in another institution's collection.

B. De-accessioned materials may be offered for exchange, gift or sale to other tax-exempt educational, historical or cultural institutions. De-accessioned objects not disposed of in this manner normally shall be sold at advertised public markets and only in a manner that will protect the

interests, objectives and legal status of the institution. Funds received from the sale of de-accessioned objects from the Collection shall be used for the care of the Collection in or acquisitions for the Collection. Exceptions to this provision shall require specific authorization from the Officers.

C. HSST does not sanction the sale or gift of de-accessioned objects to its Contributing Members, volunteers, Trustees or to their representatives outside the guidelines stated above.

## **VII. Loans**

A. HSST may accept short term, temporary loans as set forth in Article XI. HSST shall exercise reasonable care so that borrowed items are returned in the same condition as received. Loaned objects that HSST is unable to return after making all reasonable attempts to do so will be considered abandoned property and shall become the property of HSST.

B. HSST may lend material to similar institutions for its normal, public purposes (e.g. research, exhibition, interpretation) but only under conditions that insure proper care, security, and environmental protection of its objects. Materials on loan may not be photographed or reproduced without written permission from the Collection Committee. They must be fully insured for loss or damage during shipment and the entire period in which they will be under the borrowing institution's care and returned promptly and in the same condition as when loaned.

## **VIII. Inventory**

A complete inventory of the Collection shall be made at least every three (3) years. On an annual basis, the Collection Committee shall examine the collection to determine the status of the record system and the physical condition of objects susceptible to deterioration, as well as the steps to be taken to address or mitigate any issues.

**IX. Access to the Collections**

A. HSST makes Collection materials available to the public for research and educational purposes through exhibition, interpretive programs and by appointment.

B. HSST reserves the right to refuse access to or use of the Collection.

**X. Ethical Standards and Conflicts of Interest**

A. It is the responsibility of all HSST Contributing Members to recognize their responsibilities as guardians of irreplaceable objects and to act accordingly.

B. All HSST Contributing Members shall conduct themselves in accordance with the Conflict of Interest Policy set forth in Appendix B herein.

## **APPENDIX B**

### **Conflict of Interest Policy**

#### **Article I: Purpose**

The purpose of this conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or trustee of HSST, 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.

#### **Article II: Definitions**

##### **1. Interested Person**

Any Trustee, Officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

##### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which HSST has a business arrangement, or
- b. A compensation arrangement with HSST or with any entity or individual with which HSST has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which HSST 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. A person who has a financial interest may have a conflict of interest only if the board or committee decides that a conflict of interest exists.

### **Article III: Procedures**

#### **1. 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 Trustees and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the 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.

#### **3. Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the 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.

b. The chairperson of the meeting shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee

shall determine whether the organization 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.

d. 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 organization'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.

#### **4. Violations of the Conflicts of Interest Policy**

a. 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.

b. 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.

#### **Article IV. Records of Proceedings**

The minutes of the 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 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.

#### **Article V: Periodic Reviews**

To ensure HSST 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 HSST'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.