

Minutes and Bylaws

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Lawyers Alliance

Connecting lawyers, nonprofits and communities

**FOR A NONPROFIT CORPORATION
INCORPORATED UNDER THE LAWS OF
THE STATE OF NEW YORK**



Not-for-Profit Corporation Forms

Pursuant to the New York

Nonprofit Revitalization Act of 2013

Amended, effective May 27, 2017

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Lawyers Alliance for New York

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* Commentaries reflect general changes to the laws from 2017, which are still relevant to current law and do not affect any current revisions to the bylaws.

“Exempt and Nonprofit Organizations Alert: New York Non-Profit Revitalization Act”

December 16, 2013 • Skadden, Arps, Slate, Meagher & Flom LLP • Fred T. Goldberg, Jr., Daniel L. Kurtz, Emily M. Lam, Sarah E. Paul, J. J. Harwayne Leitner, Coleen M. McGrath, David J. O’Connell

The Non-Profit Revitalization Act of 2013 (the Act) (S5845/A8072), which effects the first major overhaul of the New York Not-for-Profit Corporation Law (the NPCL) in four decades, will be signed into law by New York Governor Andrew Cuomo before the end of this week.¹ The Act is intended to lessen regulatory and administrative burdens on corporations governed by the NPCL,² improve governance and increase accountability. For the first time, the NPCL’s related party transaction provisions, as amended by the Act, will apply to charitable trusts. Other than certain provisions (as noted below), the Act generally will become effective on July 1, 2014. It is anticipated that a bill proposing technical, non-substantive changes needed to clarify certain provisions of the Act will be introduced in the next session of the New York Legislature. Following is a summary of key changes effected by the Act.

I. Streamlined Governance Procedures

In some cases, bylaw amendments will be necessary to take advantage of new provisions in the law; in other instances, while not required, it will be helpful for corporations to amend their bylaws to provide for new procedures permitted by the Act.

Electronic Communications

The Act allows for electronic (i) notices for board and member meetings and waivers of notice, (ii) board and member unanimous consents, and (iii) member proxies. In addition, directors will be able to participate in meetings through videoconferencing.

The Act also provides that the Attorney General’s Charities Bureau may now accept registration forms, annual reports and other submissions by electronic means.

Streamlined Approval of Major Corporate Actions

The Act streamlines the approval process for major corporate actions by allowing corporations to obtain approval of such transactions from the Attorney General, instead of having to obtain court approval following Attorney General review and consent. The streamlined approval process is available for amendments to the corporate purposes of Charitable Corporations (as defined below), mergers, consolidations, dissolutions and transfers of all or substantially all assets, except where the Attorney General concludes that court approval is necessary.³ In all cases, if the Attorney General’s approval is withheld, the corporation still may petition the court, on notice to the Attorney General, for approval of the action.

Real Property Transactions

Currently, any real estate transaction requires the approval of at least two-thirds of a corporation’s entire board of directors, except for boards of 21 or more directors, where a majority vote of the entire board is sufficient. Under the Act, certain real estate transactions, i.e., a purchase of real property or the corporation’s, sale, mortgage, lease, exchange or other disposition of its real property, may be approved by a majority of the board or a committee, unless the transaction involves all or substantially all of the corporation’s assets, in which case the prior voting requirement is retained. Board approval is no longer needed when leasing real property from a third party.

Committees

The Act eliminates the distinction between standing and special committees of the board. It also includes a new means for electing members of committees of the corporation: committees of the corporation may now be elected in a manner set forth in the bylaws. If not specified in the bylaws, then members of committees of the corporation shall be elected in the same manner as officers of the corporation, which is the current rule.

Number of Directors

The Act clarifies the definition of the term "entire board" to mean the number of directors fixed in the bylaws or, where the bylaws provide for a range in the number of directors, the number of directors within that range that were elected as of the most recently held election of directors.

It also expands the options available for fixing the number of directors if such number is not fixed in the bylaws.

II. Related Party Transactions and Conflict of Interest Policy

The Act makes significant changes to the current NPCL provision regulating transactions between a corporation and its

insiders, i.e., related party transactions. The Act also requires all corporations to adopt a conflict of interest policy that, among other things, includes specific procedures for disclosing, addressing and documenting related party transactions and preventing improper influence by the related party in accordance with the new law. Corporations should be aware that the scope of transactions falling within the purview of the new law does not precisely mirror those regulated by the IRS intermediate sanctions rules. The Act's requirements regarding related party transactions and conflict of interest policies also apply, as noted above, to New York charitable trusts. Accordingly, all corporations and charitable trusts likely will need to amend their conflict policies to comply with the Act.

The Act prohibits a corporation from entering into a related party transaction unless the transaction is determined by the corporation's board of directors or an authorized committee of the board to be fair, reasonable and in the corporation's best interest at the time of the determination. A "related party transaction" includes any transaction, agreement or any other arrangement in which a related party has a financial interest. A "related party" includes any director, officer or key employee of the corporation or an affiliate of the corporation, his or her relatives and any entity in which any such individual has 35 percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5 percent.

Where the related party transaction is between a Charitable Corporation (as defined below) and a related party with a substantial financial interest in the transaction, the board or board committee also must: (i) consider alternative transactions to the extent available, prior to entering into the transaction; (ii) approve the transaction by not less than a majority vote of the directors or committee members present at the meeting; and (iii) contemporaneously document in writing the basis for the board or committee's approval, including its consideration of alternative transactions.

The conflict of interest policy must include, in its disclosure requirements, that each director, prior to initial election and then annually, sign and submit to the corporation's secretary a written statement identifying, to the best of the director's knowledge: (i) any entity of which the director is an officer, director, trustee, member, owner (as sole proprietor or partner) or employee and with which the corporation has a relationship, and (ii) any transaction in which the corporation is a participant and in which the director might have a conflicting interest. A board committee comprised solely of independent directors may oversee the adoption of, and compliance with, the conflict of interest policy. If no such committee is designated, either the board or the audit committee must provide such oversight.

To be considered an "independent director," the director may not (i) be or have been within the last three years an employee of the corporation or any affiliate, or have a relative who is or has been within the last three years a key employee of the corporation or any affiliate; (ii) have received or have a relative who received more than \$10,000 in direct compensation from the corporation or any affiliate within any of the last three fiscal years; or (iii) be an employee of or have a substantial financial interest in any entity that has made payments to or received them from the corporation or an affiliate for property or services which, in any of the last three fiscal years, exceeds the lesser of \$25,000 or 2 percent of such entity's consolidated gross revenues, or have a relative who is an officer of or has a substantial financial interest in any such entity.

To establish a committee of independent directors, a corporation will need to implement procedures for collecting from directors the information required to determine whether or not a director is "independent" and ensuring that that information remains current.

The Act also enhances the Attorney General's authority to remedy violations of the related party transaction rules, including authorizing the Attorney General to bring an action to enjoin, void or rescind such transactions and to seek restitution, an accounting and the return of any profits made from the transaction and other relief.

III. Audit Oversight

Corporations governed by the NPCL that solicit contributions in New York State and are required to file a certified public accountant's audit report with the Attorney General now will need to ensure that the audit of the corporation's financial statements, as well as the corporation's accounting and financial reporting processes, are overseen by either the corporation's board of directors (excluding any directors who are not independent directors) or an audit committee comprised solely of independent directors. Such oversight functions include retaining/renewing an independent auditor and reviewing the audit results and any management letter with the auditor. For corporations with annual revenue in excess of \$1 million (either in the prior or current fiscal year), the oversight duties also include: (i) reviewing with the auditor the scope and planning of the audit prior to its commencement; (ii) upon completion of the audit, reviewing and discussing any material risks and weakness in internal controls identified by the auditor, any restrictions on the scope of the auditor's activities or access to requested information, any significant disagreements between the auditor and management, and the adequacy of the corporation's accounting and financial reporting processes; and (iii) annually considering the performance and independence of the auditor. These audit oversight requirements also apply to New York charitable trusts that solicit contributions in New York State and are required to file a certified public accountant's audit report with the Attorney General. Any corporation or charitable trust that had annual revenues of less than \$10 million in its last fiscal year ending prior to January 1, 2014, will not be subject to these audit oversight requirements until January 1, 2015.

IV. Whistleblower Policy

Under the Act, every corporation and charitable trust that has 20 or more employees and annual revenue exceeding \$1 million in its prior fiscal year must adopt a whistleblower policy that complies with the Act. The whistleblower policy must prohibit intimidation, harassment, discrimination, adverse employment consequences or other retaliation against a director, trustee, officer, employee or volunteer who, in good faith, reports any action or suspected action by or within the corporation that is allegedly illegal, fraudulent or violates any corporate policy. The Act sets forth certain required provisions for reporting violations or suspected violations of law or corporate policies, specifying to whom such violations may be reported and to whom the policy must be distributed. A committee comprised solely of independent directors/trustees may oversee the adoption of and compliance with the whistleblower policy. If no such committee is designated, either the board, the trustees in the case of a trust, or the audit committee must oversee this function.

Corporations and trusts that have a whistleblower policy should review the policy and, unless it is substantially consistent with the Act's requirements, should amend the policy to ensure compliance.

V. Other Changes

Elimination of Types

Under the NPCL, corporations currently are divided into four "types", A through D. The Act eliminates these four types and instead divides corporations simply into either Charitable or Non-Charitable Corporations. A "Charitable Corporation" is a nonprofit corporation formed or deemed to be formed for charitable purposes, i.e., purposes included in the certificate of incorporation that are charitable, educational, religious, scientific, literary, cultural or for the prevention of cruelty to children or animals. Additionally, under the Act, education corporations and religious corporations are Charitable Corporations for purposes of the NPCL.

Audit Thresholds

The Act provides some relief for charitable organizations soliciting in New York State by raising the gross revenue thresholds for filing an audit report with the Attorney General to \$500,000 as of July 1, 2014, \$750,000 as of July 1, 2017, and \$1,000,000 as of July 1, 2021.

Mergers and Consolidations of Religious and Education Corporations

The Act allows education corporations and religious corporations to enter into mergers in addition to consolidations, creating the option of having a surviving entity rather than having to form a new consolidated entity.

Executive Compensation

The Act adds to the NPCL provision permitting a corporation to pay reasonable compensation to its members, directors and officers for services a prohibition against any such person being present at or participating in any board or committee deliberation or vote concerning his or her compensation. However, if requested to do so by the board or committee, such person may be present to provide information or answer questions prior to the commencement of the deliberations or voting.

Employee Cannot be Chair

Effective January 1, 2015, the Act will prohibit any employee of a corporation from serving as chair of the organization's board of directors or to hold any title with similar responsibilities.

Incorporation and Authorization

The Act makes a number of changes that are designed to streamline the process for forming a corporation in New York State and for foreign corporations applying for authority to conduct activities in New York State.

We would be happy to assist you in taking the steps necessary to comply with the Act.

1 The Act also amends provisions of other New York statutes, including the Education Law, Religious Corporations Law, Executive Law and Estates, Powers and Trusts Law.

2 New York education corporations are governed by the NPCL to the extent provided under Education Law §216-a, and New York religious corporations are governed by the NPCL as provided under Religious Corporations Law §2-b. Accordingly, a number of the Act's provisions discussed herein also are applicable to New York education corporations and religious corporations. In addition, as discussed herein, certain of these changes affect New York charitable trusts.

3 For transfers of all or substantially all assets, the option of obtaining only Attorney General approval is not available if the corporation is insolvent or would become insolvent as a result of the transaction.

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Commentary About the Forms

Update on Commentary

The NY Non-Profit Revitalization Act of 2013 (NPRA) was amended in 2016. The amendments became effective May 27, 2017 (except for the amendment relating to the chair of the board, which became effective on January 1, 2017).

The 2016 Amendment is intended to “improve and make clarifying amendments to the Nonprofit Revitalization Act of 2013” in order to “correct certain inconsistencies, and... make the statute operate more smoothly and efficiently.” The revisions also amend provisions governing related party transactions, prohibit certain employees from serving as the chair of the board of a corporation organized under the New York Not-for-Profit Corporation Law and impose certain restrictions on individuals subject to a whistleblower complaint.

These forms are intended to assist New York not-for-profit corporations to comply with the requirements of the Nonprofit Revitalization Act (“NPRA”), which is effective for most purposes on July 1, 2014. This packet provides you with sample documents to form a New York not-for-profit corporation and to modify the governance documents for existing New York not-for-profit corporations seeking to comply with the new governance standards.

- In order to form a not-for-profit corporation in New York State, it is necessary to file a Certificate of Incorporation with the New York State Department of State. The form certificates of incorporation and minutes of an organizational meeting reflect the NPRA’s reclassification of corporate types and the new rules for stating corporate purposes.
- The NPCL has undergone significant changes and not-for-profit corporations will be required to satisfy new governance standards effective July 1, 2014. The form bylaws, conflict of interest policy, audit committee charter, and whistleblower policy reflect the governance reforms included in the NPRA.

Minutes of an Organizational Meeting – Once the Certificate of Incorporation is filed with the Department of State the initial Board of Directors named in the certificate need to have an organizational meeting for purposes of transacting business including the adoption of by-laws. Organizers intending to create a non-membership corporation should use Minutes Of Organizational Meeting of Directors of a Non-membership Corporation. Organizers intending to create a membership corporation should use Minutes Of Organizational Meeting of Directors of a Membership Corporation.

By-Laws – Bylaws are a set of agreed upon rules and procedures for the internal operations of a not-for-profit corporation. These rules and procedures govern the decision-making processes of the Board of Directors and, for membership organizations, the members. Well crafted, easily understood bylaws make it possible for an organization to make binding decisions, turn those decisions into actions, and resolve internal disputes when they arise. Organizers forming a membership corporation should use the Sample Bylaws for a Membership Corporation. Organizers forming a non-membership corporation should use the Sample Bylaws for a Non-membership corporation. These sample bylaws can also be used by existing corporations seeking to amend their bylaws to comply with the revised Not-for-Profit Corporation Law.

Conflict of Interest Policy – All New York Not-for-Profit Corporations are required to have a conflict of interest policy. Conflict of interest policies must now cover “key employees” as well as officers and directors. The policy must now provide that a Board or committee approving transactions with related parties confirm that the transaction is fair, reasonable, and in the corporation’s best interests. This sample policy complies with both the New York Not-for-Profit Corporation Law and federal excess benefit transaction regulations.

Audit Committee Charter – New York Not-for-Profit Corporations that are required to register and report to the New York Attorney General and who have at least \$500,000 in annual revenue are required to have either the entire Board or an Audit Committee comprised entirely of “Independent Directors” engage the auditors and review the audit findings. The sample Audit Committee Charter establishes the criteria for service on the Audit Committee and establishes the responsibility of the Committee and the scope of the Committee’s authority.

Whistleblower Policy – New York Not-for-Profit Corporations with 20 or more employees and annual revenue in excess of one million dollars in the prior fiscal year are required to adopt a whistleblower policy. The policy protects directors, officers, employees and volunteers who in good faith report any violation of law or corporate policy from retaliation.

Certificate of Incorporation – This is the document that will be filed with the New York State Department of State to officially form the corporation. Organizers intending to engage in “charitable” activities and, perhaps, ultimately to file for tax exempt status under section 501(c)(3) of the Internal Revenue Code should use the form for a Charitable Not-for-Profit Corporation. Organizers intending to engage in “non-charitable” activities and, perhaps, ultimately to file for tax exempt status under a section of the Internal Revenue Code other than section 510(c)(3) should use the form for a Non-charitable Not-for-Profit Corporation.

These forms are intended as samples only are not meant as legal advice. We recommend that you consult an attorney prior to forming a Not-for-Profit Corporation or adopting governance policies.

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Minutes
and
Bylaws

OF

HANCOCK HOUNDS DOG PARK, INC.

**A NONPROFIT CORPORATION
INCORPORATED UNDER THE LAWS OF
THE STATE OF NEW YORK**

Prepared by:

BYLAWS¹ OF
HANCOCK HOUNDS DOG PARK, INC.
(the “Corporation”)
as of

ARTICLE I – MEMBERS

Section 1. Membership. The Corporation is a membership corporation pursuant to New York Not-for-Profit Corporation Law (“N-PCL”) section 601. Membership in the Corporation shall be open to _____ who support the purposes of the Corporation as set forth in its Certificate of Incorporation and who comply with such membership policies, including the assessment of membership fees, as the Board of the Corporation (the “**Board**”) may from time to time adopt by resolution of the Board (each, a “**Member**” and, collectively, the “**Membership**”). The Corporation’s Membership shall be determined as of _____ days before the annual meeting of the Members (the “**Annual Meeting of the Members**”).

Section 2. Classes of Membership.²

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Section 3. Meetings.

(a) The Annual Meeting of the Members for the election of the Directors and for the transaction of such other business as may come before the Members, including the delivery of a financial statement⁴ shall be held each year at the place (which may be either within or outside the State of New York), time and date, in the month of _____, as may be fixed by the Board, or under these Bylaws.

(b) Special Meetings shall be held whenever called by resolution of the Board, the President of the Board, the Executive Director, or by a written demand to the Secretary of ten (10) percent of the Members eligible to vote. The Secretary shall promptly give notice, upon receiving the written demand or resolution, as provided below. The meeting shall take place not less than two (2) nor more than three (3) months from the date of the demand. If the Secretary fails to give notice within five (5) business days thereafter, any member signing such demand may give such notice.

(c) The Board may appoint one or more inspectors to act at any meeting or adjournment thereof.

Section 4. List or Record of Members at Meetings. A list or record of Members entitled to vote, certified by the corporate officer responsible for its preparation or by a transfer agent, shall be produced at any meeting of Members, provided that a Member has given written notice to the Corporation of intent to request such a list at least ten (10) days prior to such meeting.

Section 5. Notice of Meetings. Written notice of the place, date, and hour of any meeting shall be given to each Member entitled to vote at such meeting by mailing the notice by first class mail, postage prepaid, personal delivery, fax or email not less than ten (10) nor more than fifty (50) days before the date of the meeting. If such notice is mailed by any other class of mail other than first class mail, it shall be given between thirty (30) and sixty (60) days before such meeting. Notice of special meetings shall indicate the purpose for which they are called and the person or persons calling the meeting.⁵

Section 6. Waivers of Notice. Notice of any meeting need not be given to any Member who submits a waiver of notice, in person or by proxy, whether before or after the meeting. Waivers of notice may be written or electronic. If written, the waiver must be signed by the Member (or Member's authorized officer, director, employee, or agent). If electronic, the waiver must set forth, or be transmitted with, information from which it can reasonably be determined that sending the waiver was authorized by the Member. A Member's attendance at a meeting, in person or by proxy, shall constitute a waiver or notice by him or her, if such Member does not protest lack of notice prior to the conclusion of such meeting.

Section 7. Quorum, Adjournments of Meetings. At all meetings of the Members, a quorum for the transaction of business shall be ten percent (10%) of the Members⁶ (or one hundred (100) Members, whichever is less), present in person or by proxy.⁷ In the absence of a quorum, the Members present in person shall adjourn the meeting from that time until a quorum is present. Notice of the new meeting is not required if the time and place for the new meeting is announced at the meeting at which the adjournment is taken, and at the new meeting any business may be transacted which might have been transacted at the meeting as originally called.

Section 8. Organization. The President of the Corporation shall preside at all meetings of the Members or, in the absence of the President, an acting President shall be chosen by the Members present. The Secretary of the Corporation shall act as Secretary at all meetings of the Members, but in the absence of the Secretary, the presiding Member may appoint any person to act as Secretary of the meeting.

Section 9. Voting. At any meeting of the Members, each Member present, in person or by proxy, shall be entitled to one vote.⁸

Upon demand of any Member, any vote for Directors or upon any question before the meeting shall be by ballot. A list of Members entitled to vote shall be set days before the date of the meeting. Such list shall be produced at any meeting of the Members upon written request provided at least ten (10) days before the meeting.

Section 10. Proxies. Every member entitled to vote at a meeting of Members or to express consent or dissent without a meeting may authorize another voting Member or Director to act for such member by proxy.¹⁰ Every proxy must be in writing and signed by

, or by email and set forth information from which it can be reasonably determined that the proxy was authorized by that member. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable by the Member executing it. For the purposes of conducting meetings, all proxies shall be delivered to the Secretary or, upon the absence of the Secretary, the presiding Member appointed to act as secretary of the meeting.

Section 11. Action by the Members. Any corporate action authorized by a majority of the votes cast at a meeting of Members shall be the act of the Members, except as otherwise provided by statute or by these Bylaws. Action may be taken without a meeting on unanimous written consent, setting forth the action to be taken, signed by all of the Members. Such consent may be written or electronic. If the consent is written, it must be signed by the Member. If the consent is electronic, it must be able to be reasonably determined to have been sent by the Member.

Section 12. Adoption and Amendment of the Bylaws. The Board shall call for a Special Meeting of the Members to adopt the bylaws (or the bylaws may be adopted at the Annual Meeting of the Members). The proposed bylaws are to be circulated to the Members no later than ¹¹ days prior to the Annual Meeting or Special Meeting of the Members to adopt the bylaws. A majority of the votes cast at the Annual Meeting or the Special Meeting of the Members to adopt the bylaws shall be the act of the Members. In the alternative, the Board is authorized to amend the bylaws.¹²

Section 13. Special Actions Requiring Vote of Members. The following corporate actions may not be taken without approval of a certain number of the Members:

(a) a plurality of the votes cast at a meeting of the Members is required for the election of the Directors of the Corporation;

(b) two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the Members is required for (1) an amendment that adds, changes, or strikes out a provision of the Certificate of Incorporation that specifies a greater requirement as to what constitutes a quorum or the votes of Members or (2) a petition for judicial dissolution of the Corporation;¹³

(c) two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the Members is required for (1) disposing of all, or substantially all, of the assets of the Corporation, (2) approval of a plan of merger, (3) authorization of a plan of non-judicial dissolution, or (4) revocation of a

voluntary dissolution proceeding, **provided, however,** that the affirmative votes cast in favor of any action described in this subsection (c) shall be at least equal to the minimum number of votes necessary to constitute a quorum. Blank votes or abstentions shall not be counted in the number of votes cast.

ARTICLE II – OFFICES

The principal office of the Corporation shall be in State of New York. The Corporation may also have offices at such other places as the Board of Directors (the “**Board**”) may from time to time determine or the business of the Corporation may require.

ARTICLE III – BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board shall have general power to control and manage the affairs and property of the Corporation subject to applicable law and in accordance with the purposes and limitations set forth in the Certificate of Incorporation and herein. The Board may exercise all other powers necessary to manage the affairs and further the purposes of the Corporation in conformity with the Certificate of Incorporation and these Bylaws.

Section 2. Number. There shall be at least three Directors.¹⁴ the number of Directors may be increased or decreased from time to time, by resolution of the Board, but such action by the Board shall require a vote of a majority of the entire Board and no decrease shall shorten the term of any incumbent Director. The “entire Board” shall consist of the number of directors that were elected or appointed at the most recently-held election of Directors, plus those Directors continuing to serve.

Section 3. Election and Term of Office.

¹⁵ To become a Director, a person shall be nominated by a Director and elected by a plurality of the members. The Directors shall hold office for -year terms;¹⁶ provided, however, that any Director elected to fill an unexpired term (whether resulting from the death, resignation or removal or created by an increase in the number of Directors) shall hold office until the next annual meeting at which the election of Directors is in the regular order of business and until his or her successor is elected or appointed and qualified. Directors may be elected to any number of consecutive terms

Section 4. Qualification for Directors.¹⁷ Each Director shall be at least 18 years of age.¹⁸

Section 5. Classification of Directors. At the ¹⁹ annual meeting at which the election of Directors is in the regular order of business, the Directors shall be divided into [three] classes that are as equal in number as possible. The term of office of the first class

shall expire at the first annual meeting of the Corporation following the annual meeting at which Directors are first elected. The term of office of the second class shall expire at the following annual meeting and the third class at the third annual meeting after the annual meeting at which Directors are first elected. At each annual meeting after Directors are first elected, Directors shall be elected for a term of three years to replace those whose terms shall expire.²⁰

Section 6. Removal. Any Director may be removed at any time for cause²¹ by (i) a vote of Directors then in office at a regular meeting or at a special meeting of the Board called for that purpose or (ii) a vote of the Members in accordance with these bylaws

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Section 7. Resignation. Any Director may resign from the Board at any time. Such resignation shall be made in writing or electronically, directed to the and shall take effect at the time specified in the written resignation, and if no time is specified, at the time of its receipt by the Corporation or the President. The acceptance of a resignation by the Board shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of a Director.

Section 8. Vacancies and Newly Created Directorships. Any newly created Directorships, and any vacancies on the Board arising at any time and from any cause, may be filled at any meeting of the Board by a majority of votes, when a quorum is present, regardless of their number. Each Director so elected shall serve until the next annual meeting at which the election of Directors is the regular order of business and his or her successor is elected or appointed or qualified. A vacancy in the Board shall be deemed to exist on the occurrence of any of the following:

- (a) the death, resignation or removal of any Director;
- (b) an increase in the authorized number of Directors by resolution of the Board; or
- (c) the failure of the Members, at any annual or other meeting of Members at which any one or more Directors are to be elected, to elect the full authorized number of Directors to be voted for at that meeting.

Each Director elected to fill a vacancy arising from the death, resignation, or removal of a Director shall serve until the next annual meeting of Directors, and then at such meeting may be elected for a term coinciding with the balance of the unexpired term of the replaced director.

Section 9. Meetings. The annual meeting of the Board shall be held in of each year or at a date, time, and place fixed by the Board, and at such meeting, the Board shall receive an annual report. Regular meetings of the Board shall be held no less than times at a time and place fixed by the Board. Special meetings of the Board shall be held whenever called by (a) the President of the Board; (b) the ; or (c) by any Director upon written demand of not less than one-fifth ($\frac{1}{5}$) of the Directors of the Board, in each case at such time and place as shall be fixed by the person or persons calling the meeting.

Section 10. Notice of Meetings. Regular meetings may be held without notice of the time and place if such meetings are fixed by the Board. In the case of each annual and special meetings, such notice must be accompanied by a written agenda setting forth all matters upon which action is proposed to be taken. Notice of the time and place of the annual meeting, each regular meeting not fixed by the Board, and each special meeting of the Board shall be:

(a) delivered to each Director by e-mail at least five (5) days before the day on which the meeting is to be held; or

(b) mailed to each Director, postage prepaid, addressed to him or her at his or her residence or usual place of business (or at such other address as he or she may have designated in a written request filed with the Secretary at least seven (7) days before the day on which the meeting is to be held).

To discuss matters requiring prompt action, notice of special meetings may be sent to each Director by e-mail or telephone, or given personally, no less than forty-eight (48) hours before the time at which such meeting is to be held, unless the meeting must be held within forty-eight (48) hours. Notice of a meeting need not be given to any Director who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting the lack of notice to him or her prior to or at the beginning of the meeting. Waivers of notice sent by email will be valid if the Director is clearly identified in such waivers.

Section 11. Quorum.²⁴

Section 12. Voting. At any meeting of the Board at which a quorum is present, the affirmative vote of a majority of the Directors present at the time of the vote shall be the act of the Board, except as otherwise provided by law or these Bylaws. If at any meeting of the Board less than a quorum is present, the Directors present may adjourn the meeting until a quorum is obtained. Any one or more Directors may participate in a meeting of the Board or committee by telephone, video conference or similar communications equipment, provided that all persons participating in the meeting can hear each other and can participate in all matters before the Board. Participation by such means shall constitute presence in person at a meeting.

The following acts of the Board require the affirmative vote of at least two-thirds ($\frac{2}{3}$) of the entire Board:

(a) a purchase, sale, mortgage or lease of real property of the Corporation if the property constitutes all or substantially all of the assets of the Corporation;

(b) a sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation; or

(c) amendment of these Bylaws or Certificate of Incorporation of the Corporation that would increase the quorum requirement to greater than a majority of the entire Board, or would increase the vote requirement to greater than a majority of the Board present at the time of the vote.

Section 13. Adjournment of Meeting. A majority of the Directors present, whether or not a quorum is present, may adjourn the meeting to another time and place. Notice of the time and place of such adjourned meeting shall be given to Directors who were not present at the time of such adjournment and, if such time and place was not announced at such meeting, to all other Directors. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 14. Action Without a Meeting. Any action required or permitted to be taken by the Board or committee may be taken without a meeting if the entire Board or all members of the committee unanimously consents in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If the consent is written, it must be signed by the Director. If consent is electronic, such consent will be valid if the Director is clearly identified in such consent. Any resolution and the written consents shall be filed with the minutes of the proceedings of the Board or committee.

Section 15. Compensation. No compensation of any kind shall be paid to any Director for the performance of his or her duties as Director. This shall in no way limit the reimbursement of reasonable expenses incurred in connection with board service. Subject to the Corporation's Conflicts of Interest Policy, a Director may receive payment for services provided to the Corporation in any capacity separate from his or her responsibilities as a Director.

ARTICLE IV – OFFICERS, EMPLOYEES, AND AGENTS

Section 1. Number and Qualifications. The Board shall select all officers, if any, for the Corporation (each officer an “**Officer**” and collectively, “**Officers**”).²⁵ The Officers shall be a _____, a Secretary, a Treasurer and any other Officers that the Board may from time to time appoint, including one or more

One person may hold more than one office in the Corporation, except that no one person may hold the offices of President and Secretary at the same time.

The other Officers may, but need not, be Directors.²⁶ No instrument required to be signed by more than one Officer may be signed by one person in more than one capacity.

Section 2. Election and Term of Office. The Officers shall be elected for a²⁷ _____ at the annual meeting of the Board, and each shall continue in office until his or her successor has been elected or appointed and qualified, or until his or her death, resignation, or removal.

Section 3. Employees and Other Agents. The Board may from time to time appoint such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board may from time to time determine. To the fullest extent allowed by law, the Board may delegate to any employee or agent any powers possessed by the Board and may prescribe their respective title, terms of office, authorities, and duties.

Section 4. Removal. Any Officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the Board. Termination of employment of any employee also serving as an Officer shall result in removal effective as of the date of termination.

Section 5. Resignation. Any Officer may resign at any time by giving notice (either written or electronic) to the _____, provided that any Officer who is an employee of the Corporation must abide by the terms of his or her employment, including service as an Officer. The resignation shall take effect at the time specified therein, and if no time is specified, at the time of its receipt by the _____, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board.

Section 7. Powers and Duties. The shall preside at all meetings of the Board and the Executive Committee. The shall have general supervision of the affairs of the Corporation and shall keep the Board fully informed about the activities of the Corporation. He or she has the power to sign and execute alone, in the name of the Corporation, all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature. The shall perform such other duties as from time to time may be assigned by the Board.

Section 8. Powers and Duties. A shall have such powers and duties as may be assigned to him or her by the Board. In the absence of the , the in the order designated by the Board, shall perform the duties of the President.

Section 9. Secretary: Powers and Duties. The Secretary shall keep the minutes of the annual meeting and all meetings of the Board in books provided for that purpose. He or she shall be responsible for giving and serving all notices of the Corporation, receiving the annual disclosure statements required by the Corporation's Conflicts of Interest Policy and shall perform such other duties as shall from time to time be assigned by the Board.

Section 10. Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys, evidences of indebtedness and other valuable documents of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board may designate. At the annual meeting for each of the Members and the Board, the Board shall direct the President and Treasurer of the Corporation to present a financial report, verified by the President and Treasurer or a majority of the Directors, or certified by an independent public accountant or certified public accountant or a firm of such accountants selected by the Board.²⁸ At such meeting, the Treasurer shall render a report of the Corporation's accounts showing in appropriate detail: (a) the assets and liabilities of the Corporation as of a twelve-month fiscal period terminating not more than six (6) months prior to the meeting; (b) the principal changes in assets and liabilities during that fiscal period; (c) the revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes during that fiscal period; (d) the expenses or disbursements of the Corporation, for both general and restricted purposes during said fiscal period; and (e) the number of Members of the Corporation as of the date of the report, together with a statement of increase or decrease in such number during the fiscal period, and a statement of the place where the names and places of residence of the current members may be found.²⁹ The Treasurer shall, at all reasonable times, exhibit the Corporation's books and accounts to any Officer or Director of the Corporation, and whenever required by the Board, render a statement of the Corporation's accounts, subject to the control of the Board.

Section 11. Compensation. Any Officer who is not a Director but is an employee or agent of the Corporation is authorized to receive a reasonable salary or other reasonable

compensation for services rendered to the Corporation as an employee or agent when authorized by a majority of the entire Board, and only when so authorized. No Officer shall receive compensation from the Corporation for serving in his or her capacity as an Officer. Subject to the Corporation's Conflicts of Interest Policy, an Officer may receive payment for services provided to the Corporation in any capacity separate from his or her responsibilities as an Officer.³⁰

ARTICLE V – COMMITTEES³²

Section 1. Committees of the Board.³³ A committee of the Board is one that shall have authority to bind the Corporation and shall be comprised solely of Directors. Committees of the Board may be appointed by resolution of the Board at a meeting at which a quorum is present. The members of such committees shall be appointed by the
of the Board, subject to the approval of the Board. Each committee must consist of at least three (3) Directors³⁴ with such powers and duties as the Board may prescribe, except that no committee shall have authority as to the following matters:

- (a) the filling of vacancies on the Board or on any committee;
- (b) the amendment or repeal of the Bylaws or the adoption of new Bylaws;
- (c) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
- (d) the fixing of compensation of the Directors for serving on the Board or any committee;
- (e) the election or removal of officers and directors;
- (f) the approval of a merger or plan of dissolution;
- (g) the authorization of a transaction involving the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation; and
- (h) the approval of amendments to the Certificate of Incorporation.

Section 2. Committees of the Corporation.³⁵ The Board by resolution may appoint from time to time any number of persons as advisors of the Corporation to act as a committee of the Corporation. No such committee shall have the authority to bind the Board. Each advisor shall hold office at the pleasure of the Board and shall have only the responsibilities as the Board may from time to time determine. No advisor to the Corporation shall receive, directly or indirectly, any salary or compensation for any service rendered to the Corporation as a member of a committee of the Corporation, except that the Board may authorize reimbursement of expenditures reasonably incurred.

ARTICLE VI – CONTRACTS, CHECKS, AND BANK ACCOUNTS

The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign checks, drafts, or other orders for the payment of money, acceptances, notes, or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments.

ARTICLE VII – BOOKS AND RECORDS

Correct books or account of the activities and transactions of the Corporation, including the minute book (containing a copy of the Certificate of Incorporation, a copy of these bylaws and all minutes of meetings of the Board³⁶) shall be kept at the office of the Corporation.

ARTICLE VIII – FISCAL YEAR

The fiscal year of the Corporation shall begin on _____ and end on _____, or such other date as determined by the Board.

ARTICLE IX – INDEMNIFICATION AND INSURANCE

Section 1. General. To the fullest extent permitted by law, the Corporation indemnify any person (and his or her heirs, executors, guardians, administrators, assigns, and any other legal representative of that person) who was or is a party or is threatened to be made a party to or is involved in (including being a witness) any threatened, pending, or completed action, suit, proceeding or inquiry (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative, or investigative, and whether formal or informal, including appeals, by reason of the fact that he or she is or was a Director or Officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for and against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by that person or that person's heirs, executors, guardians, administrators, assigns, or legal representatives in connection with that action, suit, proceeding, or inquiry, including appeals. Notwithstanding the foregoing, the Corporation shall indemnify any person seeking indemnification in connection with an action, suit, proceeding, inquiry (or part thereof) initiated by that person only if that action, suit, proceeding or inquiry (or part thereof) was authorized by the Board.

Section 2. Exclusions. No indemnification shall be made to or on behalf of a director or officer if a judgment or other financial adjudication adverse to the director or officer establishes that his or her acts were committed in bad faith or were the result of active or deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 3. Expenses. To the fullest extent permitted by law, the Corporation shall pay expenses as incurred by any person described in this Article in connection with any action, suit, proceeding or inquiry described in this Article; provided that if these expenses are to be paid in advance of the final disposition (including appeals) of an action, suit, proceeding or inquiry, then the payment of expenses shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the person, to repay all amounts so advanced if it is ultimately determined that the person is not entitled to be indemnified under this Article or otherwise.

Section 4. Insurance. The Corporation may purchase and maintain insurance on behalf of any person described in this Article against any liability asserted against him or her, whether or not the Corporation would have the power to indemnify him or her against that liability under the provisions of this Article or otherwise.

Section 5. Application. The provisions of this Article shall be applicable to all actions, suits, proceedings or inquiries made or commenced after the adoption of this Article, whether arising from acts or omissions occurring before or after its adoption. The provisions of this Article shall be deemed a contract between the Corporation and each director or officer who serves in such capacity at any time while this Article and the relevant provisions of the laws of the State of New York and other applicable law, if any, are in effect, and any repeal or modification of this Article shall not adversely affect any right or protection of any person described in this Article in respect of any act or omission occurring prior to the time of the repeal or modification.

Section 6. Validity and Limitations. If any provision of this Article shall be found to be invalid or limited in application by reason of any law or regulation, that finding shall not affect the validity of the remaining provisions of this Article. The rights of indemnification provided in this Article shall neither be exclusive of, nor be deemed in limitation of, any rights to which any person described in this Article may otherwise be entitled or permitted by contract, vote of the Board of Directors, or otherwise, as a matter of law, both as to actions in his or her official capacity and actions in any other capacity while holding such office, it being the policy of the Corporation that indemnification of any person described in this Article shall be made to the fullest extent permitted by law.

Section 7. Definitions. For purposes of this Article: references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and reference to serving at the request of the Corporation” shall include any service as a director or officer of the Corporation which imposes duties on, or involves services by, that director or officer with respect to an employee benefit plan, its participants, or beneficiaries.

ARTICLE X – AMENDMENTS AND REFERENCES

Section 1. Amendments. These Bylaws may be amended or repealed by the Members of the Corporation at a meeting duly called for the purpose of altering these Bylaws or by the Board. Any amendment or repeal of these Bylaws is authorized only at a duly called

and held meeting of the Members for which written notice of such meeting, setting forth the proposed alteration, is given in accordance with the notice provisions for special meetings set forth in these Bylaws.

Section 2. Reference to Certificate of Incorporation. References in these Bylaws to the Certificate of Incorporation shall include all amendments thereto, unless specifically excepted by these Bylaws. In the event of a conflict between the Certificate of Incorporation and these Bylaws, the Certificate of Incorporation shall govern.

Schedule 1 – Committees of the Board

Organizations may choose to include specific committees of the Board in their bylaws or in more detail in separate committee charters.³⁷ Some common committees include:

(a) Executive Committee. An Executive Committee which shall consist of at least three Directors, one of whom shall be the President of the Board, who shall also serve as chair of the Executive Committee. The other members of the Executive Committee shall be appointed by the President, subject to the approval of the entire Board.³⁸ The Executive Committee shall have all the authority of the Board except as to the following matters:

- i. the filling of vacancies on the Board or on any committee;
- ii. the amendment or repeal of the Bylaws or the adoption of new Bylaws;
- iii. the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
- iv. the fixing of compensation of the Directors for serving on the Board or any committee;
- v. the election or removal of officers and directors;
- vi. the approval of a merger or plan of dissolution;
- vii. the authorization of a transaction involving the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation; and
- viii. the approval of amendments to the certificate of incorporation.

Correct books or account of the activities and transactions of the Executive Committee, including the minute book containing all minutes or meetings of the Executive Committee, shall be kept at the office of the Corporation.

(b) Finance Committee. A Finance Committee which shall consist of at least three (3) Directors, one of whom shall be the Treasurer. The other members of the Finance Committee shall be appointed by the President of the Board, subject to the approval of the Board. The Finance Committee shall advise the Treasurer and the Board in regard to the financial management³⁹ of the Corporation.

(c) Audit Committee.⁴⁰ An Audit Committee comprised at least three (3) directors each of whom is an Independent Director as defined below. The members of the Audit Committee shall be appointed by Board. [The Committee will annually review or retain the independent auditor and upon completion of the audit review the results of the audit and any related management letter with the independent auditor.⁴¹

In addition, the Committee shall⁴²:

- i. review with the independent auditor the scope and planning of the audit prior to the audit's commencement;

- ii. upon completion of the audit, review, and discuss with the independent auditor:
 - any material risks and weaknesses in internal controls identified by the auditor;
 - any restrictions placed on the scope of the auditor’s activities or access to requested information;
 - any significant disagreements between the auditor and management; and
 - the adequacy of the corporation’s accounting and financial reporting processes.
- iii. annually consider the performance and independence of the auditor; and
- iv. report on the Committee’s activities to the Board.

AUDIT COMMITTEE DEFINITIONS

Section 1: Affiliate. An affiliate of the Corporation is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, or in control of the Corporation.

Section 2: Financial Interest. A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Corporation.

Section 3: Independent Director. A member of the Board of Directors (the “Board”) who:

(a) Has not been an employee or Key Person of the Corporation or an Affiliate of the Corporation within the last three (3) years;

(b) Does not have a Relative who has been a Key Person of the Corporation or an Affiliate of the Corporation within the last three (3) years;

(c) Has not received and does not have a Relative who has received more than \$10,000 in compensation directly from the Corporation or an Affiliate of the Corporation in any of the last three (3) years (not including reasonable compensation or reimbursement for services as a Director, as set by the Corporation);

(d) Does not have a substantial Financial Interest in and is an employee of, and does not have a Relative who has a substantial Financial Interest in or is an Officer of, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation or an Affiliate of the Corporation if the amount paid by the Corporation to the entity or received by the Corporation from the entity for such property or services, in any of the last three fiscal years, exceeded:

- the lesser of \$10,000 or 2% of such entity's consolidated gross revenues if the entity's consolidated gross revenue was less than \$500,000;
- \$25,000 if the entity's consolidated gross revenue was \$500,000 or more but less than \$10,000,000; or
- \$100,000 if the entity's consolidated gross revenue was \$10 million or more;

(for the purposes of this subparagraph (d), "payment" does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the corporation at fixed or non-negotiable rates or amounts for services received; provided, however, that such services by and to the corporation are available to individual members of the public on the same terms and such services received by the corporation are not available from another source);

(e) Is not in an employment relationship under control or direction of any Related Party and does not receive payments subject to approval of a Related Party;

(f) Is not and does not have a Relative who is a current owner, whether wholly or partially, director, officer or employee of the Corporation's outside auditor or who has worked on the Corporation's audit at any time during the past three (3) years; or

(g) Does not approve a transaction providing economic benefits to any Related Party who in turn has approved or will approve a transaction providing economic benefits to the Director.

Section 4: Key Person. A Key Person is a person who (a) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (b) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (c) alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.⁴³

Section 5: Related Party. Persons who may be considered a Related Party of the Corporation or an Affiliate of the Corporation under this Policy include:

(a) Directors, Officers, or Key Persons of the Corporation or an Affiliate of the Corporation;

(b) Relatives of Directors, Officers, or Key Persons;

(c) any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%;

(d) Founders of the Corporation;

(e) Substantial contributors to the Corporation (within the current fiscal year or the past five fiscal years);

(f) Persons owning a controlling interest (through votes or value) in the Corporation;

(g) Any non-stock entity controlled by one or more Key Persons.

Section 6: Relative. A Relative is a spouse or domestic partner (as defined in section 2994-A of the New York Public Health Law), ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse or domestic partner of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood).

(d) Nominating and Governance Committee. A Nominating and Governance Committee consisting of three (3) or more Directors. The members of the Nominating and Governance Committee shall be appointed by the President of the Board, subject to the approval of the entire Board. The Nominating and Governance Committee shall have the following responsibilities:

- i. develop and provide oversight of implementation of policies and procedures regarding Board size, leadership, and composition;
- ii. recommend candidates for nomination to the Board;
- iii. determine qualifications and characteristics required to become a Director;
- iv. identify and screen individuals who are qualified to serve as Directors;
- v. recommend to the Board candidates for nomination and election or appointment to the Board, and its committees, or to fill Board vacancies;
- vi. assist in orientation programs for newly-appointed directors; coordinate and oversee self-evaluations of the Board and its committees; and
- vii. review on a regular basis the overall governance of the Corporation and recommend improvements for approval by the Board where appropriate.

(e) Investment Committee. An Investment Committee, consisting of three or more Directors. The members of the Investment Committee shall be appointed by the President of the Board, subject to the approval of the entire Board. The Investment Committee shall assist the Board in fulfilling its oversight responsibilities relating to fiscal management by:

- i. overseeing the management of organization-wide financial assets;
- ii. reviewing investment policies and strategies;
- iii. reviewing financial results;
- iv. ensuring the maintenance of an appropriate capital structure;
- v. reviewing and recommending an annual operating budget for approval by the Board; and
- vi. ensuring the Corporation employs personnel, systems and investment managers, capable of providing timely and accurate financial information to key decision-makers.

(f) Development Committee. A Development Committee, consisting of three (3) or more Directors. The members of the Development Committee shall be appointed by the President of the Board, subject to the approval of the entire Board. The Development Committee shall raise financial and other resources for the Corporation by assisting Board members in their own fundraising efforts; recruiting potential donors; and assisting staff in planning fundraising events.

(g) Other Committees of the Board. The Board may establish and appoint other committees of the Board consisting of at least three (3) Directors with such powers and duties as the Board may prescribe. The members of such committees shall be appointed by the President of the Board, subject to the approval of the Board.



Suggestions for the text for the blank fields in the Membership Corporation ByLaws. Boilerplate in italic. Variable text in roman face. We have omitted suggestions where contents of fields are obvious.

ARTICLE I—MEMBERS

Section 1. Membership... all persons interested in the purposes of the Corporation.

Section 4. Meetings... month

Section 5. Notice of Meetings... [if applicable] For corporations with more than 500 members: Notice may be served by publishing a notice in a newspaper published in the county in which the organization is headquartered at least once a week for three successive weeks before the meeting and by prominently displaying the notice on the organization’s homepage from the date of publication through the meeting date.

Section 8. Voting... number

Section 11. Adoption of Bylaws... number

ARTICLE III – BOARD OF DIRECTORS

Section 2. Number... state maximum number

Section 3. Election and Term of Office.

number five or less

or may serve a maximum of _____ consecutive terms

Section 4. Qualification for Directors... or, if the Corporation qualifies under the appropriate category set forth in NPCL §701 for youth organizations, the Corporation may have one or more Directors between the ages of 16 and 18, as provided in NPCL §701.

Section 5. Classification of Directors.

number

number

number

Note: There is no requirement that directors have staggered terms. Some boards prefer it in order to ensure that they always have some experienced directors. In this example, the term of office for each Director would be 3 years.

Note: If there are two or more classes of directors laid out in Section 5 (Classification of Directors), then the length of their terms may be stated there instead of in Section 3 (Election and Term of Office). The term of each director may not exceed a number of years equal to the number of classes into which the board is classified. N-PCL §703(b).

Section 6. Removal... (if applicable) provided that there is a quorum of not less than a majority present at such meeting; provided further that at least one week's notice of the proposed action shall have been given to the entire Board then in office. Missing three consecutive meetings of the Board unless a majority of the Directors has excused such Director from attendance due to extreme circumstance(s) may constitute cause.

Section 9. Meetings.

month
number

Section 10. Notice of Meetings... which notice shall, in the case of each annual and special meeting, be accompanied by a written agenda setting forth all matters upon which action is proposed to be taken

Section 11. Quorum... in the case of an entire Board of fifteen Directors or less, the quorum shall be one-third of the entire number of Directors; and in the case of a board of more than fifteen Directors, the quorum shall be five directors plus one additional Director for every ten Directors (or fraction thereof) in excess of fifteen

ARTICLE IV – OFFICERS, EMPLOYEES AND AGENTS

Section 1. Number and Qualifications

President *or* Chair
Vice Presidents *or* Vice-Chairs
President *or* Chair

Section 2. Election and Term of Office... one year term

Section 6. President or Chair: Powers and Duties:

President *or* Chair
President *or* Chair
President *or* Chair
President *or* Chair

Section 7. Vice President or Vice-Chair: Powers and Duties:

Vice President *or* Vice-Chair
President *or* Chair
Vice President *or* Vice-Chair
President *or* Chair

ARTICLE V – COMMITTEES

(a) Executive Committee.

Note: N-PCL§712(a) permits boards with 30 or more directors to appoint Executive Committee members by at least $\frac{3}{4}$ of the directors present at the time of the vote, so long as a quorum is present at the time.

(c) Audit Committee.

Note: Nonprofit corporations are not required by the NPCL to have an audit committee, but if the corporation does not have an audit committee, then Board itself must fulfill these obligations

Note: the following lines are alternatives. The language that follows is already in the form. Delete either as applicable.

For fiscal years ending after February 16, 2017, applies to Corporations with at least \$750,000 in revenue. (For fiscal years ended prior to February 16, 2017, applies to Corporations with at least \$500,000 in revenue.)

The Committee will annually review or retain the independent auditor and upon completion of the audit review the results of the audit and any related management letter with the independent auditor.

Applies to Corporations with \$1,000,000 or more of annual or anticipated annual revenue
The Committee shall:

review with the independent auditor the scope and planning of the audit prior to the audit's commencement;

upon completion of the audit, review and discuss with the independent auditor:

any material risks and weaknesses in internal controls identified by the auditor;

any restrictions placed on the scope of the auditor's activities or access to requested information;

any significant disagreements between the auditor and management; and

the adequacy of the corporation's accounting and financial reporting processes.

annually consider the performance and independence of the auditor; and

report on the Committee's activities to the Board.

ARTICLE X – INDEMNIFICATION AND INSURANCE

Section 1. Indemnification...may or shall

ARTICLE XIV – DEFINITIONS

Section 4. Key Person.

Note: Consider identifying in the Policy the staff positions identified in this section and the preceding section.

MINUTES OF ORGANIZATIONAL MEETING OF DIRECTORS

of

HANCOCK HOUNDS DOG PARK, INC.

the “Corporation”

The organization meeting of the directors named in the Certificate of Incorporation of the Corporation was held at _____ M. on _____ 20____
at _____

Present in person were:

By unanimous vote,
_____ chairperson and
_____ the meeting.

_____ was elected to serve as temporary
_____ was elected as temporary secretary of

The temporary secretary submitted a waiver of notice of this meeting, which was signed by all those present. The temporary chairperson directed that those absent be contacted and asked to sign or email their consent to this waiver, and directed that the waiver be annexed to these minutes.

The temporary chairperson reported on the incorporation process. S/he presented a copy of the certificate of incorporation and the original receipt showing the acceptance and filing by the Secretary of State of the State of New York on _____ 20____ and showing the payment of the statutory filing fee.

The temporary chairperson also presented a draft set of by-laws for the Corporation. After discussion of the provisions of the proposed by-laws, the temporary chairperson recommended that they be adopted. On motion made and seconded, the proposed by-laws were unanimously accepted and adopted. The temporary chairperson directed that the by-laws as adopted be annexed to these minutes.

The temporary chairperson then stated that the next item of business was the establishment of criteria for membership in the corporation. On motion made and seconded, the following criteria for membership were established:

The temporary chair then explained that a meeting of the membership must be held in order to elect the members of the Board of Directors. On motion made and seconded, the meeting of the membership was set for 20 at

The temporary chair agreed to provide notice to those individuals who have expressed interest in membership in the corporation.

There being no other business before the meeting, the meeting was, upon motion made and carried, adjourned at

Respectfully submitted,

Secretary

Corrected and approved
on 20

Chairperson of the Board

WAIVER OF NOTICE OF ORGANIZATION MEETING

of

HANCOCK HOUNDS DOG PARK, INC.

the "Corporation"

We, the undersigned, being all of the members of the Board of Directors of the Corporation named in the certificate of incorporation, waive all notice of the time, place, and purpose of the organizational meeting of the Corporation, and consent that this meeting be held at _____ M. on _____ 20____ at and consent to the transaction of all business that may properly come before the meeting.

Dated:

Director

Director

Director

Director

The text in these bylaws may not apply to every situation in every state. Consult the nonprofit law in your state if you have questions about the applicability of the text. The authors have footnoted the text with references to the Delaware Statute.

- ¹ The following resources may have additional helpful information: Lawyers Alliance’s publications “Getting Organized,” “Advising Nonprofits,” and “Bylaws That Work: A Manual for New York Nonprofits.”
- ² Organizations may have more than one class of members, and not all classes must have the right to vote. N-PCL § 601. For more information, please see Lawyers Alliance’s publication “Bylaws That Work: A Manual for Nonprofits” and Lawyers Alliance’s Legal Alert “Is a Membership Structure Right for Your Organization? – updated.”
- ³ There may be more than three classes of members. For more information, please see N-PCL section 601. If classes of members are to have different rights or responsibilities, this should be set forth in this section.
- ⁴ N-PCL § 519.
- ⁵ For corporations with more than 500 members, include the following language: “Notice may be served by publishing a notice in a newspaper published in the county in which the organization is headquartered at least once a week for three successive weeks before the meeting and by prominently displaying the notice on the organization’s homepage from the date of publication through the meeting date.”
- ⁶ Include this only if there are classes of members who are not entitled to vote.
- ⁷ This is the statutory minimum as set forth under N-PCL section 608. Organizations may choose to set a higher quorum.
- ⁸ If the organization has classes of members, and one or more classes of members are not entitled to vote, then the organization should specify this here. See section 612 of the N-PCL for more information.
- ⁹ See N-PCL § 616(b) for more information on classes of membership.
- ¹⁰ The statute is not clear on whether proxies are required to vote as directed by the member giving the proxy. Organizations may specify here whether the proxy is directed or not.
- ¹¹ There is no requirement for proposed bylaws to be circulated within a separate timeframe. Notice should be provided in accordance with section 5.
- ¹² Note that there are some actions that the Board cannot take without consent of the Members. These are articulated in N-PCL § 615.

- ¹³ N-PCL § 615.
- ¹⁴ N-PCL § 702 requires at least three board members, but organizations may choose to have more. It is advantageous to include a relevant range, rather than leaving the number of directors open-ended. N-PCL § 102(a)(6-1) defines “entire Board” differently depending on whether the bylaws set forth a fixed number of directors or a range. If the bylaws provide for a range of directors, vacant director seats will not count in the definition of “entire Board.” If the number of directors is fixed, the definition of “entire Board” is the specified number of directors and will include the vacant seats. Accordingly, including a range may make achieving a quorum easier.
- ¹⁵ This is not necessary for existing organizations updating their bylaws.
- ¹⁶ If there are two or more classes of directors provided in section 5 below, then the length of their terms may be stated there, not here. The term of each director may not exceed a number of years equal to the number of classes into which the board is classified. N-PCL § 703(b).
- ¹⁷ Some organizations may want to set forth additional qualifications for their directors. Please consult with an attorney to determine which, if any, additional qualifications your organization might want for its directors.
- ¹⁸ Directors between the ages of 16 and 18 are permitted for youth organizations, as defined in N-PCL § 701.
- ¹⁹ This may not be necessary for existing organizations updating their bylaws.
- ²⁰ There is no requirement that directors have staggered terms. Some boards prefer it in order to ensure that they always have some experienced directors. In this example, the term of office for each Director would be 3 years. N-PCL § 704(a) sets forth a maximum of 5 classes.
- ²¹ Organizations may choose to specify what constitutes “cause,” for its directors; for example, missing a certain number of consecutive meetings or director malfeasance. However, if examples of “cause” are included in the bylaws, the provision should clearly state that any stated examples are not intended to be exhaustive and the Board may remove directors for additional reasons not contained in the bylaws.
- ²² N-PCL Section 706 provides that the bylaws may permit removal without cause by the members, but this is an optional provision.
- ²³ The bracketed language in this section may be used for organizations with staggered boards in an effort to maintain equal numbers of members between classes.
- ²⁴ Unless otherwise specified or required by law, by default quorum shall be a majority of the entire Board. N-PCL § 707. This section sets the quorum at the lowest level permitted by the statute, one-third plus one more director for each additional five over fifteen directors. However, organizations can choose to set quorum at a higher level.

- ²⁵ Please see N-PCL § 713 for options regarding appointing officers.
- ²⁶ A nonprofit corporation may have officers who are Board members, staff, or other individuals. It may also have staff, such as the Chief Executive Officer or Chief Financial Officer, serve as officers of the corporation. This is a nuanced subject and counsel should consult other resources, including Lawyers Alliance’s publication “Advising Nonprofits” for more information on this topic.
- ²⁷ Per N-PCL § 713(c), longer terms are permissible. If officers serve for a longer term, they need not be elected at each annual meeting.
- ²⁸ N-PCL § 519.
- ²⁹ The report to the Board may consist of a verified or certified copy of any report by the Corporation to the Internal Revenue Service or the Attorney General of the State of New York which includes the information specified above.
- ³⁰ Note that officers’ compensation is subject to the organization’s Conflicts of Interest Policy as well as the Internal Revenue Service’s regulations regarding excess benefit transactions. See <https://www.irs.gov/charities-non-profits/charitable-organizations/intermediate-sanctions-excess-benefit-transactions> for more information.
- ³¹ This section may be relevant to organizations whose staff or agents handle large quantities of cash.
- ³² For more information, see Lawyers Alliance’s Legal Alert “Committees of the Board vs. Committees of the Corporation.”
- ³³ An organization may choose to include authorization for specific committees in the text of the bylaws or in separate committee charters. For more language on specific committees of the Board, please see Schedule 1, attached hereto.
- ³⁴ There is no statutory requirement for committee quorums. See N-PCL § 712. Organizations may consider specifying what constitutes quorum for committee actions, particularly for those decisions that bind the Corporation. For example, “Two-thirds of the members of a committee shall constitute a quorum thereof for the transaction of business by such committee. The affirmative vote of a majority of the committee members present at the time of the vote, if a quorum is present at such time, shall be the act of such committee.”
- ³⁵ An organization may choose to include authorization for specific committees in the text of the bylaws. Common committees of the corporation include Strategic Planning Committees, Gala/ Special Event Committees, Fundraising Committees, Scholarship Committees, or other advisory committees.
- ³⁶ If the organization has an executive committee, its minutes must be retained per N-PCL § 621.
- ³⁷ For more information on specific committee charters, please see “Guide to Nonprofit Governance 2019” published by Weil, Gotshal & Manges LLP.

- ³⁸ N-PCL § 712(a) permits boards with 30 or more directors to appoint Executive Committee members by at least $\frac{3}{4}$ of the directors present at the time of the vote, so long as a quorum is present at the time.
- ³⁹ If an organization has an investment committee, consider substituting this language with “investments and general fiscal policy.”
- ⁴⁰ Nonprofit corporations are not required by the N-PCL to have an audit committee, but if the corporation does not have an audit committee, then Board itself must fulfill these obligations.
- ⁴¹ Until June 30, 2012, this applies to Corporations with at least \$750,000 in revenue. Beginning July 1, 2021, the threshold is at least \$1,000,000 in revenue. See Executive Law 172-b.
- ⁴² These additional obligations apply to Corporations with \$1,000,000 or more of annual or anticipated annual revenue:
- ⁴³ Consider identifying in the Policy the staff positions identified in this bullet and the preceding bullet.

**BYLAWS¹ OF
HANCOCK HOUNDS DOG PARK, INC.**

**(the “Corporation”)
as of**

ARTICLE I – MEMBERS

The Corporation shall have no members.²

ARTICLE II – OFFICES

The principal office of the Corporation shall be in the State of New York. The Corporation may also have offices at such other places as the Board of Directors (the “**Board**”) may from time to time determine or the business of the Corporation may require.

ARTICLE III – BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board shall have general power to control and manage the affairs and property of the Corporation subject to applicable law and in accordance with the purposes and limitations set forth in the Certificate of Incorporation and herein. The Board may exercise all other powers necessary to manage the affairs and further the purposes of the Corporation in conformity with the Certificate of Incorporation and these Bylaws.

Section 2. Number. There shall be at least three³ Directors.
the number of Directors may be increased or decreased from time to time, by resolution of the Board, but such action by the Board shall require a vote of a majority of the entire Board and no decrease shall shorten the term of any incumbent Director. The “entire Board” shall consist of the number of directors that were elected or appointed at the most recently-held election of Directors, plus those Directors continuing to serve.

Section 3. Election and Term of Office.⁴

To become a Director, a person shall be nominated by a Director or committee of the Board and elected by the Board by a majority of votes, when a quorum is present. The Directors shall hold office for _____ year terms;⁵ provided, however, that any Director elected to fill an unexpired term (whether resulting from the death, resignation or removal or created by an increase in the number of Directors) shall hold office until the next annual meeting at which the election of Directors is in the regular order

of business and until his or her successor is elected or appointed and qualified. Directors may be elected to any number of consecutive terms

Section 4. Qualification for Directors.⁶ Each Director shall be at least 18 years of age.⁷

Section 6. Removal. Any Director may be removed at any time for cause¹⁰ by a vote of Directors then in office at a regular meeting or at a special meeting of the Board called for that purpose

Section 7. Resignation. Any Director may resign from the Board at any time. Such resignation shall be made in writing or electronically, directed to the and shall take effect at the time specified in the written resignation, and if no time is specified, at the time of its receipt by the Corporation or the President. The acceptance of a resignation by the Board shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of a Director.

Section 8. Vacancies and Newly Created Directorships. Any newly created Directorships, and any vacancies on the Board arising at any time and from any cause, may be filled at any meeting of the Board by a majority of votes, when a quorum is present, regardless of their number. Each Director so elected shall serve until the next annual meeting at which the election of Directors is the regular order of business and his or her successor is elected or appointed or qualified. A vacancy in the Board shall be deemed to exist on the occurrence of any of the following:

- (a) the death, resignation or removal of any Director;
- (b) an increase in the authorized number of Directors by resolution of the Board; or
- (c) the failure of the Directors, at any annual or other meeting of Directors at which any one or more Directors are to be elected, to elect the full authorized number of Directors to be voted for at that meeting.

Each Director elected to fill a vacancy arising from the death, resignation, or removal of a Director shall serve until the next annual meeting of Directors, and then at such meeting may be elected for a term coinciding with the balance of the unexpired term of the replaced director.

Section 9. Meetings. The annual meeting of the Board shall be held in of each year or at a date, time, and place fixed by the Board, and at such meeting, the Board shall receive an annual report. Regular meetings of the Board shall be held no less than times at a time and place fixed by the Board. Special meetings of the Board shall be held whenever called by (a) the President of the Board; (b) the or (c) by any Director upon written demand of not less than one-fifth ($\frac{1}{5}$) of the Directors of the Board, in each case at such time and place as shall be fixed by the person or persons calling the meeting.

Section 10. Notice of Meetings. Regular meetings may be held without notice of the time and place if such meetings are fixed by the Board. In the case of each annual and special meetings, such notice must be accompanied by a written agenda setting forth all matters upon which action is proposed to be taken. Notice of the time and place of the annual meeting, each regular meeting not fixed by the Board, and each special meeting of the Board shall be:

(a) delivered to each Director by e-mail at least five (5) days before the day on which the meeting is to be held; or

(b) mailed to each Director, postage prepaid, addressed to him or her at his or her residence or usual place of business (or at such other address as he or she may have designated in a written request filed with the Secretary at least seven (7) days before the day on which the meeting is to be held).

To discuss matters requiring prompt action, notice of special meetings may be sent to each Director by e-mail or telephone, or given personally, no less than forty-eight (48) hours before the time at which such meeting is to be held, unless the meeting must be held within forty-eight (48) hours. Notice of a meeting need not be given to any Director who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting the lack of notice to him or her prior to or at the beginning of the meeting. Waivers of notice sent by email will be valid if the Director is clearly identified in such waivers.

Section 11. Quorum.¹²

Section 12. Voting. At any meeting of the Board at which a quorum is present, the affirmative vote of a majority of the Directors present at the time of the vote shall be the act of the Board, except as otherwise provided by law or these Bylaws. If at any meeting of the Board less than a quorum is present, the Directors present may adjourn the meeting until a quorum is obtained. Any one or more Directors may participate in a meeting of the Board or

committee by telephone, video conference or similar communications equipment, provided that all persons participating in the meeting can hear each other and can participate in all matters before the Board. Participation by such means shall constitute presence in person at a meeting.

The following acts of the Board require the affirmative vote of at least two-thirds ($\frac{2}{3}$) of the entire Board:

(a) a purchase, sale, mortgage or lease of real property of the Corporation if the property constitutes all or substantially all of the assets of the Corporation;

(b) a sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation; or

(c) amendment of these Bylaws or Certificate of Incorporation of the Corporation that would increase the quorum requirement to greater than a majority of the entire Board, or would increase the vote requirement to greater than a majority of the Board present at the time of the vote.

Section 13. Adjournment of Meeting. A majority of the Directors present, whether or not a quorum is present, may adjourn the meeting to another time and place. Notice of the time and place of such adjourned meeting shall be given to Directors who were not present at the time of such adjournment and, if such time and place was not announced at such meeting, to all other Directors. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 14. Action Without a Meeting. Any action required or permitted to be taken by the Board or committee may be taken without a meeting if the entire Board or all members of the committee unanimously consents in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If the consent is written, it must be signed by the Director. If consent is electronic, such consent will be valid if the Director is clearly identified in such consent. Any resolution and the written consents shall be filed with the minutes of the proceedings of the Board or committee.

Section 15. Compensation. No compensation of any kind shall be paid to any Director for the performance of his or her duties as Director. This shall in no way limit the reimbursement of reasonable expenses incurred in connection with board service. Subject to the Corporation's Conflicts of Interest Policy, a Director may receive payment for services provided to the Corporation in any capacity separate from his or her responsibilities as a Director.

ARTICLE IV – OFFICERS, EMPLOYEES, AND AGENTS

Section 1. Number and Qualifications. The Board shall select all officers, if any, for the Corporation (each officer an “**Officer**” and collectively, “**Officers**”).¹³ The Officers shall be a _____ a Secretary, a Treasurer and any other Officers that the Board may from time to time appoint, including one or more _____ One person may hold more than one office in the Corporation, except that no one person

may hold the offices of President and Secretary at the same time.

The other Officers may, but need not, be Directors.¹⁴ No instrument required to be signed by more than one Officer may be signed by one person in more than one capacity.

Section 2. Election and Term of Office. The Officers shall be elected for a ¹⁵ at the annual meeting of the Board, and each shall continue in office until his or her successor has been elected or appointed and qualified, or until his or her death, resignation, or removal.

Section 3. Employees and Other Agents. The Board may from time to time appoint such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board may from time to time determine. To the fullest extent allowed by law, the Board may delegate to any employee or agent any powers possessed by the Board and may prescribe their respective title, terms of office, authorities, and duties.

Section 4. Removal. Any Officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the Board. Termination of employment of any employee also serving as an Officer shall result in removal effective as of the date of termination.

Section 5. Resignation. Any Officer may resign at any time by giving notice (either written or electronic) to the provided that any Officer who is an employee of the Corporation must abide by the terms of his or her employment, including service as an Officer. The resignation shall take effect at the time specified therein, and if no time is specified, at the time of its receipt by the and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be appointed by the Board.

Section 7. Powers and Duties. The shall preside at all meetings of the Board and the Executive Committee. The shall have general supervision of the affairs of the Corporation and shall keep the Board fully informed about the activities of the Corporation. He or she has the power to sign and execute alone, in the name of the Corporation, all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature. The shall perform such other duties as from time to time may be assigned by the Board.

Section 8.

Powers and Duties. A

shall have such powers and duties as may be assigned to him or her by the Board. In the absence of the the in the order designated by the Board, shall perform the duties of the President.

Section 9. Secretary: Powers and Duties. The Secretary shall keep the minutes of the annual meeting and all meetings of the Board in books provided for that purpose. He or she shall be responsible for giving and serving all notices of the Corporation, receiving the annual disclosure statements required by the Corporation’s Conflicts of Interest Policy and shall perform such other duties as shall from time to time be assigned by the Board.

Section 10. Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys, evidences of indebtedness and other valuable documents of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board may designate. At the annual meeting, the Board shall direct the President and Treasurer of the Corporation to present a financial report, verified by the President and Treasurer or a majority of the Directors, or certified by an independent public accountant or certified public accountant or a firm of such accountants selected by the Board.¹⁶ At such meeting, the Treasurer shall render a report of the Corporation’s accounts showing in appropriate detail: (a) the assets and liabilities of the Corporation as of a twelve-month fiscal period terminating not more than six (6) months prior to the meeting; (b) the principal changes in assets and liabilities during that fiscal period; (c) the revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes during that fiscal period; and (d) the expenses or disbursements of the Corporation, for both general and restricted purposes during said fiscal period.¹⁷ The Treasurer shall, at all reasonable times, exhibit the Corporation’s books and accounts to any Officer or Director of the Corporation, and whenever required by the Board, render a statement of the Corporation’s accounts, subject to the control of the Board.

Section 11. Compensation. Any Officer who is not a Director but is an employee or agent of the Corporation is authorized to receive a reasonable salary or other reasonable compensation for services rendered to the Corporation as an employee or agent when authorized by a majority of the entire Board, and only when so authorized. No Officer shall receive compensation from the Corporation for serving in his or her capacity as an Officer. Subject to the Corporation’s Conflicts of Interest Policy, an Officer may receive payment for services provided to the Corporation in any capacity separate from his or her responsibilities as an Officer.¹⁸

ARTICLE V – COMMITTEES²⁰

Section 1. Committees of the Board.²¹ A committee of the Board is one that shall have authority to bind the Corporation and shall be comprised solely of Directors.

Committees of the Board may be appointed by resolution of the Board at a meeting at which a quorum is present. The members of such committees shall be appointed by the _____ of the Board, subject to the approval of the Board. Each committee must consist of at least three (3) Directors²² with such powers and duties as the Board may prescribe, except that no committee shall have authority as to the following matters:

- (a) the filling of vacancies on the Board or on any committee;
- (b) the amendment or repeal of the Bylaws or the adoption of new Bylaws;
- (c) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
- (d) the fixing of compensation of the Directors for serving on the Board or any committee;
- (e) the election or removal of officers and directors;
- (f) the approval of a merger or plan of dissolution;
- (g) the authorization of a transaction involving the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation; and
- (h) the approval of amendments to the Certificate of Incorporation.

Section 2. Committees of the Corporation.²³ The Board by resolution may appoint from time to time any number of persons as advisors of the Corporation to act as a committee of the Corporation. No such committee shall have the authority to bind the Board. Each advisor shall hold office at the pleasure of the Board and shall have only the responsibilities as the Board may from time to time determine. No advisor to the Corporation shall receive, directly or indirectly, any salary or compensation for any service rendered to the Corporation as a member of a committee of the Corporation, except that the Board may authorize reimbursement of expenditures reasonably incurred.

ARTICLE VI – CONTRACTS, CHECKS, AND BANK ACCOUNTS

The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign checks, drafts, or other orders for the payment of money, acceptances, notes, or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments.

ARTICLE VII – BOOKS AND RECORDS

Correct books or account of the activities and transactions of the Corporation, including the minute book (containing a copy of the Certificate of Incorporation, a copy of these bylaws and all minutes of meetings of the Board ²⁴) shall be kept at the office of the Corporation.

ARTICLE VIII – FISCAL YEAR

The fiscal year of the Corporation shall begin on _____ and end on _____ or such other date as determined by the Board.

ARTICLE IX – INDEMNIFICATION AND INSURANCE

Section 1. General. To the fullest extent permitted by law, the Corporation indemnify any person (and his or her heirs, executors, guardians, administrators, assigns, and any other legal representative of that person) who was or is a party or is threatened to be made a party to or is involved in (including being a witness) any threatened, pending, or completed action, suit, proceeding or inquiry (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative, or investigative, and whether formal or informal, including appeals, by reason of the fact that he or she is or was a Director or Officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for and against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by that person or that person's heirs, executors, guardians, administrators, assigns, or legal representatives in connection with that action, suit, proceeding, or inquiry, including appeals.

Notwithstanding the foregoing, the Corporation shall indemnify any person seeking indemnification in connection with an action, suit, proceeding, inquiry (or part thereof) initiated by that person only if that action, suit, proceeding or inquiry (or part thereof) was authorized by the Board.

Section 2. Exclusions. No indemnification shall be made to or on behalf of a director or officer if a judgment or other financial adjudication adverse to the director or officer establishes that his or her acts were committed in bad faith or were the result of active or deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 3. Expenses. To the fullest extent permitted by law, the Corporation shall pay expenses as incurred by any person described in this Article in connection with any action, suit, proceeding or inquiry described in this Article; provided that if these expenses are to be paid in advance of the final disposition (including appeals) of an action, suit, proceeding or inquiry, then the payment of expenses shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the person, to repay all amounts so advanced if it is ultimately determined that the person is not entitled to be indemnified under this Article or otherwise.

Section 4. Insurance. The Corporation may purchase and maintain insurance on behalf of any person described in this Article against any liability asserted against him or her, whether or not the Corporation would have the power to indemnify him or her against that liability under the provisions of this Article or otherwise.

Section 5. Application. The provisions of this Article shall be applicable to all actions, suits, proceedings or inquiries made or commenced after the adoption of this Article, whether arising from acts or omissions occurring before or after its adoption. The provisions of this Article shall be deemed a contract between the Corporation and each director or officer who serves in such capacity at any time while this Article and the relevant provisions of the laws of the State of New York and other applicable law, if any, are in effect, and any repeal or modification of this Article shall not adversely affect any right or protection of any person described in this Article in respect of any act or omission occurring prior to the time of the repeal or modification.

Section 6. Validity and Limitations. If any provision of this Article shall be found to be invalid or limited in application by reason of any law or regulation, that finding shall not affect the validity of the remaining provisions of this Article. The rights of indemnification provided in this Article shall neither be exclusive of, nor be deemed in limitation of, any rights to which any person described in this Article may otherwise be entitled or permitted by contract, vote of the Board of Directors, or otherwise, as a matter of law, both as to actions in his or her official capacity and actions in any other capacity while holding such office, it being the policy of the Corporation that indemnification of any person described in this Article shall be made to the fullest extent permitted by law.

Section 7. Definitions. For purposes of this Article: references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and reference to serving at the request of the Corporation” shall include any service as a director or officer of the Corporation which imposes duties on, or involves services by, that director or officer with respect to an employee benefit plan, its participants, or beneficiaries.

ARTICLE X – AMENDMENTS AND REFERENCES

Section 1. Amendments. These Bylaws may be amended or repealed at any meeting of the Board by

except that an amendment of these Bylaws that would increase the quorum requirement to greater than a majority of the entire Board, or would increase the vote requirement to greater than a majority of the Board present at the time of the vote, shall require a two-thirds vote of the entire Board. Any amendment or repeal of these Bylaws is authorized only at a duly called and held meeting of the Board. To be duly called, written notice of such meeting, including the proposed amendment or repeal, must be given in accordance with the notice provisions for special meetings set forth in these Bylaws or at a meeting of the Board prior to the meeting to amend or repeal the Bylaws at which the amendment or repeal is on the agenda, if notice of such meeting is given and the written proposed amendment or repeal of the Bylaws given.

Section 2. Reference to Certificate of Incorporation. References in these Bylaws to the Certificate of Incorporation shall include all amendments thereto, unless specifically excepted by these Bylaws. In the event of a conflict between the Certificate of Incorporation and these Bylaws, the Certificate of Incorporation shall govern.

Schedule 1 – Committees of the Board

Organizations may choose to include specific committees of the Board in their bylaws or in more detail in separate committee charters.²⁵ Some common committees include:

(a) Executive Committee. An Executive Committee which shall consist of at least three Directors, one of whom shall be the President of the Board, who shall also serve as chair of the Executive Committee. The other members of the Executive Committee shall be appointed by the President, subject to the approval of the entire Board.²⁶ The Executive Committee shall have all the authority of the Board except as to the following matters:

- i. the filling of vacancies on the Board or on any committee;
- ii. the amendment or repeal of the Bylaws or the adoption of new Bylaws;
- iii. the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
- iv. the fixing of compensation of the Directors for serving on the Board or any committee;
- v. the election or removal of officers and directors;
- vi. the approval of a merger or plan of dissolution;
- vii. the authorization of a transaction involving the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation;
and
- viii. the approval of amendments to the certificate of incorporation.

Correct books or account of the activities and transactions of the Executive Committee, including the minute book containing all minutes or meetings of the Executive Committee, shall be kept at the office of the Corporation.

(b) Finance Committee. A Finance Committee which shall consist of at least three (3) Directors, one of whom shall be the Treasurer. The other members of the Finance Committee shall be appointed by the President of the Board, subject to the approval of the Board. The Finance Committee shall advise the Treasurer and the Board in regard to the financial management²⁷ of the Corporation.

(c) Audit Committee.²⁸ An Audit Committee comprised at least three (3) directors each of whom is an Independent Director as defined below. The members of the Audit Committee shall be appointed by Board.

In addition, the Committee shall³⁰:

- i. review with the independent auditor the scope and planning of the audit prior to the audit's commencement;

- ii. upon completion of the audit, review, and discuss with the independent auditor:
 - any material risks and weaknesses in internal controls identified by the auditor;
 - any restrictions placed on the scope of the auditor’s activities or access to requested information;
 - any significant disagreements between the auditor and management; and
 - the adequacy of the corporation’s accounting and financial reporting processes.
- iii. annually consider the performance and independence of the auditor; and
- iv. report on the Committee’s activities to the Board.

AUDIT COMMITTEE DEFINITIONS

Section 1: Affiliate. An affiliate of the Corporation is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, or in control of the Corporation.

Section 2: Financial Interest. A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Corporation.

Section 3: Independent Director. A member of the Board of Directors (the “Board”) who:

(a) Has not been an employee or Key Person of the Corporation or an Affiliate of the Corporation within the last three (3) years;

(b) Does not have a Relative who has been a Key Person of the Corporation or an Affiliate of the Corporation within the last three (3) years;

(c) Has not received and does not have a Relative who has received more than \$10,000 in compensation directly from the Corporation or an Affiliate of the Corporation in any of the last three (3) years (not including reasonable compensation or reimbursement for services as a Director, as set by the Corporation);

(d) Does not have a substantial Financial Interest in and is an employee of, and does not have a Relative who has a substantial Financial Interest in or is an Officer of, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation or an Affiliate of the Corporation if the amount paid by the Corporation to the entity or received by the Corporation from the entity for such property or services, in any of the last three fiscal years, exceeded:

- the lesser of \$10,000 or 2% of such entity’s consolidated gross revenues if the entity’s consolidated gross revenue was less than \$500,000;

- \$25,000 if the entity’s consolidated gross revenue was \$500,000 or more but less than \$10,000,000; or
- \$100,000 if the entity’s consolidated gross revenue was \$10 million or more;

(for the purposes of this subparagraph (d), “payment” does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the corporation at fixed or non- negotiable rates or amounts for services received; **provided, however,** that such services by and to the corporation are available to individual members of the public on the same terms and such services received by the corporation are not available from another source);

(e) Is not in an employment relationship under control or direction of any Related Party and does not receive payments subject to approval of a Related Party;

(f) Is not and does not have a Relative who is a current owner, whether wholly or partially, director, officer or employee of the Corporation’s outside auditor or who has worked on the Corporation’s audit at any time during the past three (3) years; or

(g) Does not approve a transaction providing economic benefits to any Related Party who in turn has approved or will approve a transaction providing economic benefits to the Director.

Section 4: Key Person. A Key Person is a person who (a) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (b) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (c) alone or with others controls or determines a substantial portion of the Corporation’s capital expenditures or operating budget.³¹

Section 5: Related Party. Persons who may be considered a Related Party of the Corporation or an Affiliate of the Corporation under this Policy include:

(a) Directors, Officers, or Key Persons of the Corporation or an Affiliate of the Corporation;

(b) Relatives of Directors, Officers, or Key Persons;

(c) any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%;

(d) Founders of the Corporation;

(e) Substantial contributors to the Corporation (within the current fiscal year or the past five fiscal years);

(f) Persons owning a controlling interest (through votes or value) in the Corporation;

(g) Any non-stock entity controlled by one or more Key Persons.

Section 6: Relative. A Relative is a spouse or domestic partner (as defined in section 2994-A of the New York Public Health Law), ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse or domestic partner of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood).

(d) Nominating and Governance Committee. A Nominating and Governance Committee consisting of three (3) or more Directors. The members of the Nominating and Governance Committee shall be appointed by the President of the Board, subject to the approval of the entire Board. The Nominating and Governance Committee shall have the following responsibilities:

- i. develop and provide oversight of implementation of policies and procedures regarding Board size, leadership, and composition;
- ii. recommend candidates for nomination to the Board;
- iii. determine qualifications and characteristics required to become a Director;
- iv. identify and screen individuals who are qualified to serve as Directors;
- v. recommend to the Board candidates for nomination and election or appointment to the Board, and its committees, or to fill Board vacancies;
- vi. assist in orientation programs for newly-appointed directors; coordinate and oversee self-evaluations of the Board and its committees; and
- vii. review on a regular basis the overall governance of the Corporation and recommend improvements for approval by the Board where appropriate.

(e) Investment Committee. An Investment Committee, consisting of three or more Directors. The members of the Investment Committee shall be appointed by the President of the Board, subject to the approval of the entire Board. The Investment Committee shall assist the Board in fulfilling its oversight responsibilities relating to fiscal management by:

- i. overseeing the management of organization-wide financial assets;
- ii. reviewing investment policies and strategies;
- iii. reviewing financial results;
- iv. ensuring the maintenance of an appropriate capital structure;
- v. reviewing and recommending an annual operating budget for approval by the Board; and
- vi. ensuring the Corporation employs personnel, systems and investment managers, capable of providing timely and accurate financial information to key decision-makers.

(f) Development Committee. A Development Committee, consisting of three (3) or more Directors. The members of the Development Committee shall be appointed by the President of the Board, subject to the approval of the entire Board. The Development Committee shall raise financial and other resources for the Corporation by assisting Board members in their own fundraising efforts; recruiting potential donors; and assisting staff in planning fundraising events.

(g) Other Committees of the Board. The Board may establish and appoint other committees of the Board consisting of at least three (3) Directors with such powers and duties as the Board may prescribe. The members of such committees shall be appointed by the President of the Board, subject to the approval of the Board.



Suggestions for the text for the blank fields in the Corporations without Members ByLaws. Boilerplate in italic. Variable text in roman face.

ARTICLE II – OFFICES

the applicable county

ARTICLE III – BOARD OF DIRECTORS

Section 2. Number... (if applicable) and no more than [] (if applicable) Subject to such range

Section 3. Election and Term of Office

number five or less
(if applicable) or may serve a maximum of _____ consecutive terms

Section 5. Qualification for Directors... (if applicable) At the [first] annual meeting at which the election of Directors is in the regular order of business, the Directors shall be divided into [three] classes that are as equal in number as possible. The term of office of the first class shall expire at the first annual meeting of the Corporation following the annual meeting at which Directors are first elected. The term of office of the second class shall expire at the following annual meeting and the third class at the third annual meeting after the annual meeting at which Directors are first elected. At each annual meeting after Directors are first elected, Directors shall be elected for a term of three years to replace those whose terms shall expire.***

**Note: This may not be necessary for existing organizations updating their bylaws.*

***Note: There is no requirement that directors have staggered terms. Some boards prefer it in order to ensure that they always have some experienced directors. In this example, the term of office for each Director would be 3 years. N-PCL § 704(a) sets forth a maximum of 5 classes.*

Section 6. Removal... (if applicable) provided that, present at such meeting are at least a majority of the Directors then in office; provided further that the entire Board has been given at least one week's notice of the proposed action.

Section 7. Resignation.

President or Chair

Section 8. Vacancies and Newly Created Directorships... (if applicable) Each Director elected to fill a newly created directorship due to an increase in the number of Directors shall serve for a term coinciding with one of the [three] classes of Directors.

(if applicable) However, one or more such new directors instead may be elected for an unexpired term coinciding with the unexpired term of directors in a class other than the class of

the replaced director until such time as the imbalance in the size of the classes of directors existing the day before the following annual meeting has been remedied****

****Note: This text may be used for organizations with staggered boards in an effort to maintain equal numbers of members between classes

Section 9. Meetings.

month

number

choose as applicable – Executive Director/Chief Executive Officer][or other Officer]

*Section 11. Quorum******...In the case of an entire Board of fifteen (15) Directors or less, the quorum shall be one-third of the entire number of Directors. In the case of a board of more than fifteen (15) Directors, the quorum shall be five (5) directors plus one additional Director for every ten (1) Directors (or fraction thereof) in excess of fifteen.

*****Note: Unless otherwise specified or required by law, by default quorum shall be a majority of the entire Board. N-PCL § 707. This section sets the quorum at the lowest level permitted by the statute, one-third plus one more director for each additional five over fifteen directors. However, organizations can choose to set quorum at a higher level.

ARTICLE IV – OFFICER EMPLOYEES AND AGENTS

Section 1. Number and Qualifications

President *or* Chair

Vice Presidents *or* Vice-Chairs

The [President *or* Chair] shall be a Director and shall not be an employee of the Corporation OR The appointment of an employee of the Corporation as [President *or* Chair] shall require a resolution of the Board documenting the affirmative vote of at least two-thirds ($\frac{2}{3}$) of the entire Board and the basis for the appointment

Section 2. Election and Term of Office...one year term

Section 5. Resignation...

Executive Director/Chief Executive Officer

Executive Director/Chief Executive Officer

Section 7. President or Chair: Powers and Duties:

President *or* Chair

Section 8. Vice President or Vice-Chair: Powers and Duties:

Vice President *or* Vice-Chair

President *or* Chair

Vice President *or* Vice-Chair

**If applicable:*

Section 12. Sureties and Bonds. If so required by the Board, any Officer or agent of the Corporation shall execute for the Corporation a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his or her duties to the Corporation and including responsibility for negligence and for the accounting for all property or funds of the Corporation that may come into his or her hands.

**This section may be relevant to organizations whose staff or agents handle large quantities of cash.*

ARTICLE V – COMMITTEES

Section 1. Committees of the Board.

President or committee(s)

ARTICLE VI – CONTRACTS, CHECKS, AND BANK ACCOUNTS

Additional space added for optional text

ARTICLE VII – BOOKS AND RECORDS

and the Executive Committee*

**If the organization has an executive committee, its minutes must be retained per N-PCL § 621*

ARTICLE VIII – FISCAL YEAR

Insert date

Insert date

ARTICLE IX – INDEMNIFICATION AND INSURANCE

Section 1. General

may or shall

ARTICLE X – AMENDMENTS AND REFERENCES

Section 1. Amendments

Choose as applicable – a vote of the majority of the entire Board

or

the majority vote of the Directors present, so long as a quorum is present

Section 2. Reference to Certificate of Incorporation

Additional space added for optional text

Schedule 1 – Committees of the Board

The Committee will annually review or retain the independent auditor and upon completion of the audit review the results of the audit and any related management letter with the independent auditor.*

**Until June 30, 2012, this applies to Corporations with at least \$750,000 in revenue. Beginning July 1, 2021, the threshold is at least \$1,000,000 in revenue. See Executive Law 172-b.*

Section 6: Relative

Additional space added for optional text

MINUTES OF ORGANIZATIONAL MEETING OF DIRECTORS

of

HANCOCK HOUNDS DOG PARK, INC.

the "Corporation"

The organization meeting of the directors named in the Certificate of Incorporation of the Corporation was held at _____ M. on _____ 20____
at _____

Present in person were:

By unanimous vote, _____ was elected to serve
as temporary chairperson and _____ was
elected as temporary secretary of the meeting.

The temporary secretary submitted a waiver of notice of this meeting, which was signed by all those present. The temporary chairperson directed that those absent be contacted and asked to sign or email their consent to this waiver, and directed that the waiver be annexed to these minutes.

The temporary chairperson reported on the incorporation process. S/he presented a copy of the certificate of incorporation and the original receipt showing the acceptance and filing by the Secretary of State of the State of New York on _____ 20____ and showing the payment of the statutory filing fee.

The temporary chairperson also presented a draft set of by-laws for the Corporation. After discussion of the provisions of the proposed by-laws, the temporary chairperson recommended that they be adopted. Upon motion made and seconded, the proposed by-laws were unanimously accepted and adopted. The temporary chairperson directed that the by-laws as adopted be annexed to these minutes.

The temporary chairperson then stated that the next item of business was the election of directors to serve until the first annual meeting of the Board. Upon nominations made and seconded, the following directors were unanimously elected:

The temporary chairperson explained that in order to open a bank account and transact business that the Corporation will need to secure an Employer Identification Number (EIN) by filing a form SS4 with the Internal Revenue Service. Upon motion made and seconded, the temporary chairperson was authorized to execute and file the form SS4 with the Internal Revenue Service.

The temporary chairperson reported that he/she had contacted local banks with regard to opening an account for the Corporation. The Bank offers the most favorable terms and, therefore, the temporary chairperson recommends opening an account at Bank and authorizing the Corporation's officers to be signatories on the account. Upon motion made and seconded, the Corporation was authorized to open an account at Bank and to authorize the Corporation's officers to serve as signatories.

There being no other business before the meeting, the meeting was, upon motion made and carried, adjourned at

Respectfully submitted,

Secretary

Corrected and approved
on 20

Chairperson of the Board

The text in these bylaws may not apply to every situation in every state. Consult the nonprofit law in your state if you have questions about the applicability of the text. The authors have footnoted the text with references to the Delaware Statute.

- ¹ The following resources may have additional helpful information: Lawyers Alliance’s publications “Getting Organized,” “Advising Nonprofits,” and “Bylaws That Work: A Manual for New York Nonprofits.”
- ² Please see Lawyers Alliance’s model bylaws for membership organizations as an alternative structure.
- ³ N-PCL § 702 requires at least three board members, but organizations may choose to have more. It is advantageous to include a relevant range, rather than leaving the number of directors open-ended. N-PCL § 102(a)(6-1) defines “entire Board” differently depending on whether the bylaws set forth a fixed number of directors or a range. If the bylaws provide for a range of directors, vacant director seats will not count in the definition of “entire Board.” If the number of directors is fixed, the definition of “entire Board” is the specified number of directors and will include the vacant seats. Accordingly, including a range may make achieving a quorum easier.
- ⁴ This is not necessary for existing organizations updating their bylaws.
- ⁵ If there are two or more classes of directors provided in section 5 below, then the length of their terms may be stated there, not here. The term of each director may not exceed a number of years equal to the number of classes into which the board is classified. N-PCL § 703(b).
- ⁶ Some organizations may want to set forth additional qualifications for their directors. Please consult with an attorney to determine which, if any, additional qualifications your organization might want for its directors.
- ⁷ Directors between the ages of 16 and 18 are permitted for youth organizations, as defined in N-PCL § 701.
- ⁸ This may not be necessary for existing organizations updating their bylaws.
- ⁹ There is no requirement that directors have staggered terms. Some boards prefer it in order to ensure that they always have some experienced directors. In this example, the term of office for each Director would be 3 years. N- PCL § 704(a) sets forth a maximum of 5 classes.
- ¹⁰ Organizations may choose to specify what constitutes “cause,” for its directors; for example, missing a certain number of consecutive meetings or director malfeasance. However, if examples of “cause” are included in the bylaws, the provision should clearly state that any stated examples are not intended to be exhaustive and the Board may remove directors for additional reasons not contained in the bylaws.

- ¹¹ The bracketed language in this section may be used for organizations with staggered boards in an effort to maintain equal numbers of members between classes.
- ¹² Unless otherwise specified or required by law, by default quorum shall be a majority of the entire Board. N-PCL § 707. This section sets the quorum at the lowest level permitted by the statute, one-third plus one more director for each additional five over fifteen directors. However, organizations can choose to set quorum at a higher level.
- ¹³ Please see N-PCL § 713 for options regarding appointing officers.
- ¹⁴ A nonprofit corporation may have officers who are Board members, staff, or other individuals. It may also have staff, such as the Chief Executive Officer or Chief Financial Officer, serve as officers of the corporation. This is a nuanced subject and counsel should consult other resources, including Lawyers Alliance’s publication “Advising Nonprofits” for more information on this topic.
- ¹⁵ Per N-PCL § 713(c), longer terms are permissible. If officers serve for a longer term, they need not be elected at each annual meeting.
- ¹⁶ N-PCL § 519.
- ¹⁷ The report to the Board may consist of a verified or certified copy of any report by the Corporation to the Internal Revenue Service or the Attorney General of the State of New York which includes the information specified above.
- ¹⁸ Note that officers’ compensation is subject to the organization’s Conflicts of Interest Policy as well as the Internal Revenue Service’s regulations regarding excess benefit transactions. See <https://www.irs.gov/charities-non-profits/charitable-organizations/intermediate-sanctions-excess-benefit-transactions> for more information.
- ¹⁹ This section may be relevant to organizations whose staff or agents handle large quantities of cash.
- ²⁰ For more information, see Lawyers Alliance’s Legal Alert “Committees of the Board vs. Committees of the Corporation.”
- ²¹ An organization may choose to include authorization for specific committees in the text of the bylaws or in separate committee charters. For more language on specific committees of the Board, please see Schedule 1, attached hereto.
- ²² There is no statutory requirement for committee quorums. See N-PCL § 712. Organizations may consider specifying what constitutes quorum for committee actions, particularly for those decisions that bind the Corporation. For example, “Two-thirds of the members of a committee shall constitute a quorum thereof for the transaction of business by such committee. The affirmative vote of a majority of the committee members present at the time of the vote, if a quorum is present at such time, shall be the act of such committee.”

- ²³ An organization may choose to include authorization for specific committees in the text of the bylaws. Common committees of the corporation include Strategic Planning Committees, Gala/ Special Event Committees, Fundraising Committees, Scholarship Committees, or other advisory committees.
- ²⁴ If the organization has an executive committee, its minutes must be retained per N-PCL § 621.
- ²⁵ For more information on specific committee charters, please see “Guide to Nonprofit Governance 2019” published by Weil, Gotshal & Manges LLP.
- ²⁶ N-PCL § 712(a) permits boards with 30 or more directors to appoint Executive Committee members by at least $\frac{3}{4}$ of the directors present at the time of the vote, so long as a quorum is present at the time.
- ²⁷ If an organization has an investment committee, consider substituting this language with “investments and general fiscal policy.”
- ²⁸ Nonprofit corporations are not required by the N-PCL to have an audit committee, but if the corporation does not have an audit committee, then Board itself must fulfill these obligations.
- ²⁹ Until June 30, 2012, this applies to Corporations with at least \$750,000 in revenue. Beginning July 1, 2021, the threshold is at least \$1,000,000 in revenue. See Executive Law 172-b.
- ³⁰ These additional obligations apply to Corporations with \$1,000,000 or more of annual or anticipated annual revenue:
- ³¹ Consider identifying in the Policy the staff positions identified in this bullet and the preceding bullet.

CONFLICT OF INTEREST POLICY OF

HANCOCK HOUNDS DOG PARK, INC.

(the “Corporation”)

ARTICLE I – PURPOSE

The purpose of this policy (the “Policy”) is to protect the interests of (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, Officer, or Key Person of the Corporation or one of their relatives. The Corporation will not enter into any such transaction or arrangement unless it is determined by the Board in the manner described below to be fair, reasonable and in the best interests of the Corporation at the time of such determination.

This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to non-for-profit and charitable organizations.

Definitions of “Key Person,” “Related Party,” and many other terms used in this policy can be found in Article 8 below.

ARTICLE II – RELATED PARTY TRANSACTIONS AND DUTY TO DISCLOSE

Under this Policy, if the Corporation contemplates entering into a Related Party Transaction, the must determine if the transaction is fair, reasonable, and in the best interests of the Corporation. A Related Party Transaction is not necessarily a prohibited transaction.

If at any time during his or her term of service a matter for decision or approval comes before the Board in which a Related Party has a Financial Interest, that Financial Interest must be promptly disclosed in writing to the , together with all material facts. The will then follow the procedures in Article 4 of this Policy.

Failure to disclose to the Board a known Financial Interest or a known potential Related Party Transaction may be grounds for removal from the Board or termination of employment by the Corporation.

ARTICLE III – DISCLOSURE AND VOTING

Disclosure.

Any Related Party shall disclose in good faith all material facts of his or her Financial Interest to the Board.

Non-Participation and Review.

All transactions, agreements or any other arrangements between the Corporation and a Related Party, and any other transactions which may involve a potential conflict of interest, shall be reviewed by the _____ No Related Party shall vote, act, or attempt to influence improperly the deliberations on any matter in which he or she has been determined by the Board to have a Financial Interest. Any attempt to vote, act, or improperly influence deliberations by a Related Party on any matter with which such person has a Financial Interest may be grounds for removal from the Board or termination from the Corporation. All Related Parties with a Financial Interest shall leave the room while such deliberations and voting are conducted, although at the request of the _____ they may provide information regarding the transaction prior to the deliberations.

Consideration of Alternate Transactions and Comparability Data.

If the contemplated Related Party Transaction pertains to compensation for services or the transfer of property or other economic benefit to a Related Party, prior to entering into the transaction the _____ must determine that the value of the economic benefit provided by the Corporation to the Related Party does not exceed the value of the consideration received in exchange by obtaining and reviewing appropriate comparable data, including by considering alternative transactions to the extent possible.

Voting.

The Corporation will not enter into any Related Party Transaction unless it is determined to be fair, reasonable and in the best interest of the Corporation and is approved by not less than a majority vote of the Directors present at the meeting. The _____ shall document the meeting contemporaneously as described in Article 6 of this Policy.

Only Independent Directors shall vote on Related Party Transactions.

Compensation.

A voting member of the Board of Directors or an Officer who receives compensation directly or indirectly from the Corporation for services or a Director serving as a voting member of any Committee whose jurisdiction includes compensation matters is precluded from voting or acting on matters pertaining to that Director's or Officer's compensation.

However, a voting member of the Board or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, may upon request of the Board or Committee provide information regarding compensation.

ARTICLE IV –

COMMITTEE REVIEW

The Board may delegate to the _____ which shall be composed solely of Independent Directors, the adoption, implementation of and compliance with this policy. The Board may delegate to the _____ review and approval of any Related Party Transaction involving a Related Party and the Corporation, as contained in this Policy; provided that if the Related Party Transaction would otherwise require full Board approval, the Committee shall submit the Related Party Transaction to the Board for consideration, providing its recommendation as to whether or not to approve it.

ARTICLE V – RECORDS OF PROCEEDINGS

The minutes of all meetings of the Board and all Committee meetings at which a Related Party Transaction is considered shall contain:

1. The names of the persons who disclosed or otherwise were determined to have a potential or actual Financial Interest and/or conflict of interest, the nature of the potential or actual Financial Interest and/or conflict of interest, any action taken to determine whether a Financial Interest or conflict of interest exists, and the _____ determination as to whether a Financial Interest and/or conflict of interest exists.
2. The names of the persons who were present for deliberations and votes relating to any determinations under this Article, including whether the Related Party and any directors who are not Independent Directors left the room during any such deliberations, the content of such deliberations, including consideration of alternative transactions, and whether or not the transaction with the Related Party was approved by the _____
3. The minutes shall document contemporaneously the deliberations and determination regarding any the Financial Interest or conflict of interest.

ARTICLE VI – INITIAL AND ANNUAL WRITTEN DISCLOSURES

Prior to a Director's initial election to the Board, or an Officer or Key Person's employment by the Corporation, and thereafter on an annual basis, all Directors, Officers, and Key Persons shall disclose in writing to the _____

1. Any entity of which the Director, Officer or Key Person is an officer, director, trustee, voting member, owner (in whole or in part) or employee and with which the Corporation has a financial relationship.
2. Any transaction in which the corporation is a participant and in which the Director, Officer or Key Person, or one of his or her relatives might have a conflicting interest.

A copy of each disclosure statement shall be kept in Corporation's files and made available to any Director, Officer, or Key Person upon request.

ARTICLE VII – ANNUAL STATEMENTS

Each Director, Officer, and Key Person shall annually sign and submit to the
a statement which affirms such person:
(a) has received a copy of this Policy, (b) has read and understands the Policy, and (c) has
agreed to comply with the Policy.

ARTICLE VIII – DEFINITIONS

- 1. Affiliate.** An affiliate of the Corporation is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, in control of, or under common control with the Corporation.
- 2. Board of Directors.** The body responsible for the management of the Corporation.
- 3. Director.** Any voting or non-voting member of the governing board of a corporation, whether designated as a director, trustee, manager, governor, or by any other title.
- 4. Financial Interest.** A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Corporation.
- 5. Independent Director.** A member of the Board of Directors (the “Board”) who:
 - a. Has not been an employee or a Key Person of the Corporation or an Affiliate of the Corporation within the last three years;
 - b. Does not have a Relative who has been a Key Person of the Corporation or an Affiliate of the Corporation within the last three years;
 - c. Has not received and does not have a Relative who has received more than \$10,000 in compensation directly from the Corporation or an Affiliate of the Corporation in any of the last three years (not including reasonable compensation for services or reimbursement for expenses reasonably incurred as a Director of the Corporation, as set by the Corporation);
 - d. Does not have a substantial Financial Interest in and is not an employee of, and does not have a Relative who has a substantial Financial Interest in or is an Officer (as defined below) of, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation or an Affiliate of the Corporation in excess of the following, as applicable: (i) the lesser of \$10,000 or 2% of the entity’s consolidated gross revenue in any of the last three fiscal years if such consolidated gross revenue was less than \$500,000; (ii) \$25,000 if the entity’s consolidated gross revenue in any of the last three fiscal years was \$500,000 or more but less than \$10,000,000; or (iii) \$100,000 if the entity’s consolidated gross revenue in any of the last three fiscal years was \$10,000,000 or more;

- e. Is not and does not have a relative who is a current owner, whether wholly or partially, director, officer or employee of the Corporation's outside auditor or who has worked on the Corporation's audit at any time during the past three years;
- f. Is not in an employment relationship under control or direction of any Related Party (as defined below) and does not receive payments subject to approval of a Related Party; or
- g. Does not approve a transaction providing economic benefits to any Related Party who in turn has approved or will approve a transaction providing economic benefits to the Director.

6. Key Person. A Key Person is a person who:

- a. Has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;
- b. Manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or
- c. Alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

7. Officer. A person who has the authority to bind the Corporation as designated in the bylaws of the Corporation.

8. Related Party. Persons who may be considered a Related Party of the Corporation or an Affiliate of the Corporation under this Policy include:

- a. Directors, Officers, or Key Employees of the Corporation or an Affiliate of the Corporation;
- b. Relatives of Directors, Officers, or Key Persons;
- c. Any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%;
- d. Founders of the Corporation;
- e. Substantial contributors to the Corporation (within the current fiscal year or the past five fiscal years);
- f. Persons owning a controlling interest (through votes or value) in the Corporation;
- g. Any non-stock entity controlled by one or more Key Persons;
- h. Any other person who is, or has within the last five years, been in a position to exercise substantial influence over the affairs of the Corporation.

9. Related Party Transaction. Any transaction, agreement or any other arrangement with the Corporation or an Affiliate of the Corporation in which a Related Party has a Financial Interest. Any Related Party Transaction will be considered a conflict of interest for purposes of this Policy.

10. Relative. A Relative is a spouse or domestic partner as defined in section 2994-A of the New York Public Health Law, ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse or domestic partner of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood).

Adopted by the Corporation's Board of Directors
at its meeting on 20

Suggestions for the text for the blank fields in the Conflict of Interest Policy. Boilerplate in italic. Variable text in roman face.

NAME OF CORPORATION

(the “Corporation”)

ARTICLE I – PURPOSE

Note: This conflict of interest policy is designed to comply with both Federal excess benefit transaction rules (26 U.S.C. §4958 et seq.) and New York State Not for Profit Corporation Law § 715 and 715-a. As a result, in some instances organizations may have to go further than would be required under either state or federal law alone to review a transaction in order to ensure that both sets of rules are satisfied.

ARTICLE II – RELATED PARTY TRANSACTIONS AND DUTY TO DISCLOSE

Committee or Board

Note: This policy has been drafted to give Boards the option of having related party transactions reviewed by Independent Directors serving on the Board or a Committee of the Board composed of Independent Directors, without the participation of the Related Party. As of May 27, 2017, oversight of the Conflict of Interest Policy may be conducted by a duly authorized committee, and it will no longer be necessary to for non-independent directors to recuse themselves.

Person Designated by the Board or Committee or
to the Chair of the Committee or
Committee

ARTICLE III – DISCLOSURE AND VOTING

Note: Beginning May 27, 2017, disinterested staff (rather than just board members) may oversee related party transactions that are de minimus or in the ordinary course of business, or that constitute a benefit to a related party solely as a class of charitable beneficiaries if the benefit is available to all similarly situated members of that charitable class on the same terms. Because “de minimus” or “ordinary course” will have different meanings for different nonprofit corporations, you are advised to consult with legal counsel when drafting your organization’s conflict of interest policy. For guidance on this topic, visit https://www.charitiesnys.com/pdfs/Charities_Conflict_of_Interest.pdf.

Non-Participating and Review

Insert Board or name of committee

Insert Board or name of committee

Consideration of Alternate Transactions and Comparability Data

Insert Board or name of committee

Insert Board or name of committee

Voting

Insert Board or name of committee

Insert Board or name of committee

ARTICLE IV –

COMMITTEE REVIEW

Note: Consider identifying here which Committee has such authority.

Insert Audit or other name of committee

Insert Audit or other name of committee

Insert Audit or other name of committee

ARTICLE V – RECORDS OF PROCEEDINGS

1. *Note: Insert Board or name of committee*

2. *Note: Insert Board or name of committee*

ARTICLE VI – INITIAL AND ANNUAL WRITTEN DISCLOSURES

Person Designated by the Board:

ARTICLE VII – ANNUAL STATEMENTS

Person Designated by the Board

ARTICLE VIII – DEFINITIONS

Note: This definition may be deleted if the Policy does not require review of Related Party Transactions to be conducted by Independent Directors.

Note: Consider identifying in the Policy the staff positions identified as a Key Person.

WHISTLEBLOWER POLICY
HANCOCK HOUNDS DOG PARK, INC.

(the “Corporation”)

Introduction

(the “Corporation”) requires its directors, officers, employees and volunteers,

(each, a “Protected Person”), to observe high standards of business and personal ethics in the performance of their duties on the Corporation’s behalf. As employees and representatives of the Corporation, Protected Persons are expected to practice honesty and integrity in fulfilling their responsibilities and are required to comply with all applicable laws and regulations.

The objectives of this Whistleblower Policy are to encourage and enable Protected Persons, without fear of retaliation, to raise concerns regarding suspected unethical and/or illegal conduct or practices on a confidential and, if desired, anonymous basis so that the Corporation can address and correct inappropriate conduct and actions.

This policy is not intended as a vehicle for reporting violations of the Corporation’s applicable human resources policies, problems with co-workers or managers, or for reporting issues related to alleged employment discrimination or sexual or any other form of unlawful harassment, all of which should be dealt with in accordance with the Corporation’s Personnel Policies and Procedures, as it is those Policies and Procedures that are applicable to such matters.

Reporting Responsibility

It is the responsibility of all Protected Persons to report in good faith any concerns they may have regarding actual or suspected activities which may be illegal or in violation of the Corporation’s policies with respect to, without limitation, fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, and misuse of the Corporation’s assets, as well as any violations or suspected violations of high business and personal ethical standards, as such standards relate to the Corporation (each, a “Concern”), in accordance with this Whistleblower Policy.

No Retaliation

No Protected Person who in good faith reports a Concern shall suffer intimidation, harassment, retaliation, discrimination or adverse employment consequence because of such report. Any employee of the Corporation who retaliates against someone who has reported a Concern in good faith is subject to discipline up to and including termination of employment. Notwithstanding anything contained herein to the contrary, this Whistleblower Policy is not an employment contract and does not modify the employment relationship between the

Corporation and its employees, nor does it change the fact that employees of the Corporation are employees at will. Nothing contained herein is intended to provide any Protected Person with any additional rights or causes of action, other than those provided by law.

Reporting Concerns

Any Concerns should be reported as soon as shall be practicable to the _____ of the Corporation's _____ (the "Compliance Officer"). Any questions with regard to the scope, interpretation or operation of this Whistleblower Policy should also be directed to the Compliance Officer.

Compliance Officer

The Compliance Officer is responsible for investigating and resolving all reported Concerns and shall advise the _____

_____ of all reported Concerns. The Compliance Officer shall report to the full Board of Directors at each regularly scheduled board meeting on compliance activity.

Accounting and Auditing Matters

The _____ shall address all reported Concerns regarding corporate accounting practices, internal controls or auditing ("Accounting Concerns"). The Compliance Officer shall immediately notify the _____ of any Accounting Concern and shall work with the committee until its resolution. Promptly upon receipt, the _____ shall evaluate whether a Concern constitutes an Accounting Concern and, if so, shall promptly determine what professional assistance, if any, it needs in order to conduct an investigation. The _____ will be free in its sole discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

Investigations and Deliberations

The Compliance Officer may delegate the responsibility to investigate a reported Concern, whether an Accounting Concern or otherwise, to one or more employees of the Corporation or to any other individual, including persons not employed by the Corporation, selected by the Compliance Officer; provided that the Compliance Officer may not delegate such responsibility to an employee or other individual who is the subject of the reported Concern or in a manner that would compromise either the identity of an employee who reported the Concern anonymously or the confidentiality of the complaint or resulting investigation. Employees of the Corporation may not participate in any _____ deliberations or voting relating to the administration of this Whistleblower policy, and the person who is the subject of an investigation may not be present in Committee or Board deliberations or vote on the matter relating to the complaint.

Notwithstanding anything herein to the contrary, the scope, manner and parameters of any investigation of a reported Concern shall be determined by the _____ Committee in its sole discretion and the Corporation and its employees shall cooperate as necessary in connection with any such investigation.

Acting in Good Faith

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing that the information disclosed may indicate a violation of law and/or ethical standards. Any allegations that prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

The Corporation takes seriously its responsibility to enforce this Whistleblower Policy and therefore encourages any person reporting a Concern to identify him or herself so as to facilitate any resulting investigation. Notwithstanding the foregoing, in reporting a Concern, a Protected Person may request that such report be treated in a confidential manner (including that the Corporation take reasonable steps to ensure that the identity of the reporting person remains anonymous). Concerns may also be reported on an anonymous basis. Reports of Concerns will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Concerns

The Compliance Officer will acknowledge receipt of each reported Concern within five business days, but only to the extent the reporting person's identity is disclosed or a return address is provided. All reports will be promptly investigated; the scope of any such investigation being within the sole discretion of the and appropriate corrective action will be taken if warranted by the investigation.

Records

The will retain on a strictly confidential basis for a period of seven years (or otherwise as required under the Corporation's record retention policies in effect from time to time) all records relating to any reported Concern and to the investigation and resolution thereof. All such records are confidential to the Corporation and such records will be considered privileged and confidential.

Distribution

The Corporation shall distribute a copy of this Whistleblower Policy to all directors, officers, and employees. The Corporation shall also post the Whistleblower Policy on its website.

Compliance Officer Contact Information

Adopted by the Corporation's Board of Directors at
its Meeting on 20

***Suggestions for the text for the blank fields in the Whistleblower Policy.
Boilerplate in italic. Variable text in roman face.***

Name of the Corporation
(the “Corporation”)

Whistleblower Policy

Note: Every corporation with 20 or more employees and annual revenue in excess of \$1 million, in the prior fiscal year, must adopt a whistleblower policy. The Whistleblower policy should be adopted by a resolution of the board of directors. N-PCL § 715-b.

Introduction

as well as all persons who provide the Corporation with contracted services

Note: Although the Act mandates a process for reporting violations of “any adopted corporate policy,” Lawyers Alliance recommends maintaining a separate workplace harassment policy.

Reporting Concerns

Note: Nonprofits generally designate the Audit Committee of the Board of Directors to receive and address Whistleblower complaints, but if an organization does not have an Audit Committee, it may designate an Executive, Finance or Governance Committee to serve in this role. In the event an organization does not have any committees, it may designate the entire Board of Directors to serve in this role.

Chair

Insert name of committee of the or leave blank if no committee

Compliance Officer

Insert name of committee or Board

and, if the Compliance Officer deems it appropriate, the Executive Director,

Accounting and Auditing Matters

Note: If an organization does not have an Audit Committee this report should be made to the Board.

Insert name of committee of the or leave blank if no committee

Insert name of committee of the or leave blank if no committee

Insert name of committee of the or leave blank if no committee

Insert name of committee of the or leave blank if no committee

Investigation

Insert name of committee of the or leave blank if no committee

Handling of Reported Concerns

Insert name of committee of the or leave blank if no committee

Records

Insert name of committee of the or leave blank if no committee

Distribution

Note: The Corporation may also want to make best efforts to distribute the policy to all volunteers and people providing contracted services to the Corporation.

Compliance Officer Contact/Information

Name; Mailing Address; Phone Number; and e-Mail Address

Date of Board of Directors Meeting

AUDIT COMMITTEE CHARTER

I. Purpose

The Audit Committee of the Board of Directors of _____ (the “Organization”) shall assist the Board with respect to its oversight of:

- A. The quality and integrity of Organization’s annual financial statements;
- B. Organization’s compliance with legal and regulatory requirements applicable to its finances;
- C. The independent auditors’ qualifications, independence, and performance; and
- D. The performance of Organization’s internal accounting function and financial controls.

II. Structure and Powers

The Committee shall be comprised of three or more members of the Board of Directors who are Independent Directors, as defined in

The members of the Audit Committee shall be appointed by the Board of Directors and shall serve until each such member’s successor is appointed, until such member’s term as a Director expires, or until such member’s resignation or removal. Any member of the Audit Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

The Board of Directors shall designate a Chair of the Audit Committee by a majority vote of the Board. The Chair shall set the agendas for and Chair the Committee meetings.

III. Meetings

The Committee shall meet at least once annually, and more frequently as circumstances require. The Committee shall meet annually with the independent auditors and with management to review the organization’s financial statements prior to their presentation to the Board of Directors. In order to encourage candor in communications, the Committee may meet separately with each of management and the independent auditors to discuss any matters that the Committee, management, or the independent auditors believes would be appropriate to discuss privately. Participation telephonically or by videoconference by any members of the Committee at any meeting of the Committee shall be an acceptable form of attendance.

The Committee may invite to its meetings any Director, any manager of Organization, or any other person with whom it deems necessary to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person whom it deems appropriate to exclude in order to carry out its responsibilities.

IV. Duties

Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its work. This description of the Committee's duties shall serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal, or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it from time to time by the Board of Directors that are related to the purposes of the Audit Committee.

In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate.

The Committee shall be given full access to Organization's financial records, internal accounting staff, Board of Directors, managers, other staff, and independent auditors as necessary to carry out these duties. When acting within the scope of its stated purposes, the Committee shall have all of the authority of the Board of Directors.

Documents/Reports Review

The Committee shall:

1. Review with management and the independent auditors Organization's annual audited financial statements and any related management letter
2. Review with management and Organization's independent auditors Organization's annual IRS Form 990 and all financial reports to be filed with the New York Attorney General; and
3. Perform any functions required to be performed by such a Committee under applicable law, regulations, Organization's bylaws, or resolutions or other directives of the Board of Directors.

Independent Auditors

The Committee shall:

1. Review the terms of the engagement of the independent auditors to conduct an annual audit of Organization's financial statement, and retain the independent auditors and approve all engagement fees and terms.
2. Review the proposed scope and planning of the annual audit with the independent auditors prior to the audit's commencement.
3. Approve in advance any significant audit or permitted non-audit engagement or relationship between Organization and the independent auditors.

4. Review the qualification, performance, and independence of the independent auditors. In conducting its review and evaluation, the Committee may consider taking any or all of the following actions:
 - (a) Obtain and review any available report by Organization's independent auditors describing (i) the auditing firm's internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with such issues; and (iii) to assess the auditors' independence, all relationships between the independent auditors and Organization, its management, its staff, and the Board of Directors.
 - (b) Consider the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, and the audit partner reviewing the audit, at least every five years.
 - (c) Confirm with any independent auditors retained to provide audit services for any fiscal year that the lead audit partner, and the audit partner responsible for reviewing the audit, has not performed non-audit services for Organization in any of the five years preceding the audit or, if such services have been performed, that such engagement will not affect the independence of the audit process.
 - (d) Take into account the opinions of management and Organization's internal accounting staff.
5. Upon completion of the audit review and discuss with the independent auditor:
 - (i) any material risks and weaknesses in internal controls identified by the auditor;
 - (ii) any restrictions on the scope of the auditor's activities or access to requested information imposed by the Organization; (iii) any significant disagreements between the auditor and management; and (iv) the adequacy of the corporation's accounting and financial reporting processes.
6. Notwithstanding the foregoing, the Committee is not responsible for guaranteeing the auditor's report. The fundamental responsibility for Organization's financial statements rests with management.

Financial Reporting Process

The Committee shall:

1. In consultation with the independent auditors, management, and the internal accounting staff, review the integrity of Organization's financial reporting process. In that connection, the Committee should obtain and discuss with management

and the independent auditors reports from management and the independent auditors regarding (i) all critical accounting policies and practices to be used by Organization; (ii) analyses prepared by management or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with Organization's management (in particular the reporting of items of expense as program or administrative expenditures), the ramifications of the use of alternative disclosures and treatments, and the treatment preferred by the independent auditors; (iii) major issues regarding accounting principles and financial statement presentations, including any significant changes in Organization's selection or application of accounting principles; (iv) major issues as to the adequacy of Organization's internal controls and any specific audit steps adopted in light of material control deficiencies; and (v) any other material written communications between the independent auditors and Organization's management.

2. Review periodically the effect of regulatory and accounting initiatives that have been identified by the independent auditors on Organization's financial statements.
3. Review with the independent auditors: (i) any audit problems or other difficulties encountered by the independent auditors in the course of the audit process, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management; and (ii) the results of the audit and management's responses. Without excluding other possibilities, the Committee may wish to review with the independent auditors (i) any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or for any other reason); (ii) any communications between the audit team and the independent auditors' main office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issues, or proposed to be issued, by the independent auditors to Organization in connection with the annual audit.
4. Review and discuss with the independent auditors the responsibilities, budget, and staffing of Organization's internal control functions.

Reports

The Committee shall:

1. Report regularly to the Board of Directors, including:
 - (a) The results of the audit, including any issues that arise regarding the quality or integrity of Organization's financial statements, Organization's compliance with legal or regulatory requirements, the performance of the independent auditors, or the performance of the internal accounting function;

- (b) The existence and resolution of any complaints under Organization's whistleblower policy;
- (c) The existence and resolution of any conflicts of interest arising under Organization's conflict of interest policy, and
- (d) Any other matters that are relevant to the Committee's discharge of its responsibilities.

2. Maintain minutes or other records of meeting of the Committee.

V. Annual Evaluation

The Committee shall annually review and reassess, at its discretion, the adequacy of this charter and recommend to the Board of Directors, at the time that the annual audit is presented, any improvements that the Committee considers necessary or valuable.

VI. Definitions

An **Affiliate** of Organization is an entity that is directly or indirectly, through one or more intermediaries, controlled by, in control of, or under common control with Organization.

A person has a **Financial Interest** if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Corporation.

An **Independent Director** is a member of the Board of Directors who:

- a. has not been an employee or a Key Person of the Corporation or an Affiliate of the Corporation within the last three years;
- b. does not have a Relative who has been a Key Person of the Corporation or an Affiliate of the Corporation within the last three years;
- c. has not received and does not have a Relative who has received more than \$10,000 in compensation directly from the Corporation or an Affiliate of the Corporation in any of the last three years (not including reasonable compensation for services or reimbursement for expenses reasonably incurred as a Director of the Corporation, as set by the Corporation);
- d. does not have a substantial Financial Interest in and is not an employee of, and does not have a Relative who has a substantial Financial Interest in or is an Officer (as defined below) of, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation or an Affiliate of the Corporation in excess of the following, as applicable:

(i) the lesser of \$10,000 or 2% of the entity's consolidated gross revenue in any of the last three fiscal years if such consolidated gross revenue was less than \$500,000;

(ii) \$25,000 if the entity's consolidated gross revenue in any of the last three fiscal years was \$500,000 or more but less than \$10,000,000; or

(iii) \$100,000 if the entity's consolidated gross revenue in any of the last three fiscal years was \$10,000,000 or more; and

e. is not and does not have a relative who is a current owner, whether wholly or partially, director, officer or employee of the Corporation's outside auditor or who has worked on the Corporation's audit at any time during the past three years.

A Key Person is a person who:

1. Has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;
2. Manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or
3. Alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

An **Officer** is a person who has the authority to bind the Corporation as designated in the bylaws of the Corporation.

A **Relative** is a spouse or domestic partner as defined in section 2994-A of the New York Public Health Law, ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse or domestic partner of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood).

*Suggestions for the text for the blank fields in the Audit Committee Charter.
Boilerplate in italic. Variable text in roman face.*

I. PURPOSE

Corporation name

II. STRUCTURE AND POWERS

these policies *or* the Organization's bylaws

IV. DUTIES

Documents/Reports Review

1. prior to their presentation to the Board of Directors;

Independent Auditors

1. Note: Required of all organizations that must file audited financial statements with the Office of New York State Attorney General.
2. Note: Required of all organizations that must file audited financial statements with the Office of New York State Attorney General and have in excess of \$1 million in revenue.
4. Note: Required of all organizations that must file audited financial statements with the Office of New York State Attorney General and have in excess of \$1 million in revenue.
5. Note: Required of all organizations that must file audited financial statements with the Office of New York State Attorney General and have in excess of \$1 million in revenue.

VI. DEFINITIONS

Note: Consider identifying in the Policy the staff positions identified in this section and the preceding section.