

**MAINE DRIVER AND TRAFFIC SAFETY EDUCATION ASSOCIATION**  
**BYLAWS**

## **ARTICLE I. NAME**

### Section 1

#### **Name of the Association**

The name of this association shall be Maine Driver and Traffic Safety Education Association (MEDTSEA). The Association shall be incorporated as a nonprofit organization under the provisions Title 13-B MRSA §403 of the State of Maine.

## **ARTICLE II. PURPOSE**

### Section 1

#### **Purpose of the Maine Driver and Traffic Safety Education Association**

The purpose of the Maine Driver and Traffic Safety Education Association shall be to promote traffic safety and its concomitant benefits by improving and extending driver education/training activities in public schools, commercial driving schools, the private sector, industry and other institutions. The purpose of driver and traffic safety education shall be in harmony with those of general education.

To study, evaluate and attempt to solve the problems that are associated with the teaching of driver and traffic safety education.

To cooperate with agencies in the interest of teaching driver and traffic safety education programs within the State of Maine.

### Section 2

#### **Association Goals**

The Association shall work toward accomplishing its purpose through conferences, development and dissemination of materials, consulting, technical assistance and through other activities appropriate to carry out Section 1. Through these efforts, it is the intent of the Association to improve the quality of teaching and training in public schools, commercial driving schools, the private sector and industry.

### Section 3

#### **Association Charitable and Educational Purpose**

Said association is organized exclusively for charitable, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

### Section 4

#### **Association Restrictions on Financial Remunerations**

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the provisions set forth in the purpose clause hereof. No substantial part of the activities of organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

## **ARTICLE III. MEMBERSHIP**

### Section 1

#### **Membership Categories**

Membership in this Association shall be Active Primary, Active Associate, Institutional, Corporate, Honorary, and Retired.

## Section 2

### **Active Primary Memberships**

An active primary member shall be a person who is the owner or one of the owners or responsible parties of a business, school, training facility or citizen which is engaged in driver and/or traffic safety education/training or related activities or has an interest in traffic safety. This membership also makes the business, school or training facility including all locations of said entity a member of the association.

## Section 3

### **Active Associate Memberships**

An associate member shall be a person who is attached or belongs to the same business, school, or training facility as a primary member. There must be a primary membership in order for an individual to qualify for an associate membership.

## Section 4

### **Institutional Memberships**

Institutional members shall be any nonprofit corporations, institutions or agencies interested in supporting driver and/or traffic safety education/training activities.

## Section 5

### **Corporate Memberships**

Corporate members shall be those organizations which wish to support the purpose of the Association. Acceptance of a corporate membership shall in no way bind the Association to support philosophies or policies of any corporate member, nor to support or participate in projects or undertakings of said corporate member, nor imply that the Association's name or logo can be used in promoting corporate business activity without approval from the Executive Committee.

## Section 6

### **Honorary Memberships**

Honorary members shall be persons recognized by the Association for their outstanding contributions to driver and/or traffic safety education/training.

## Section 7

### **Retired Memberships**

Retired members shall be Active members who, upon retirement, may select retired status on the next dues renewal date.

## **ARTICLE IV. ELECTIVE OFFICERS**

### Section 1

#### **Elective Officers**

- a. President
- b. Vice President
- c. Treasurer
- d. Executive Secretary/Assistant Treasurer

### Section 2

#### **Eligible Service Requirements**

Only persons who have been Active members of the Association for a minimum of one full year immediately prior to official nomination shall be eligible to serve as officers.

### Section 3

#### **Executive Committee**

The Executive Committee, as described in Article VI, shall constitute a Nominating Committee for the elective officers and the board of directors of the Association. By April 1 preceding the annual conference, an official ballot shall be prepared and mailed in The Instructor the official newsletter of the association listing two nominees for open Elective Officers and Board of Directors with provisions for write-in candidates when possible. The Executive Committee shall not nominate a person who has not consented, in writing, to stand for election and to serve if elected. It shall be the responsibility of the nominating Committee to:

3.1 obtain the consent of the nominee to stand for election and to serve if elected.

3.2 conduct a run-off election to determine the officer from among those who share the tie, and

3.3 notify successful candidates of their election.

The person receiving the greatest number of votes for the particular office shall be declared elected.

The submitted list will stand as submitted unless it is determined that minimum qualifications are not satisfied, the person nominated indicates a desire not to run, and/or specific information is available to indicate the person's nomination would not be in the best interest of the Association.

#### Section 4

### **Terms of Office Officers**

The terms of office of President, Vice President, Treasurer, Executive Secretary/ Assistant Treasurer shall be for four years or until their respective successors having been elected. The term shall begin immediately upon election during a duly called business meeting of the association at the annual conference which shall take place the last Friday of April each calendar year.

#### Section 5

### **Term Limits**

At the conclusion of the term limits for the office of President, Vice President, Treasurer, Executive Secretary/Assistant Treasurer will be ineligible to hold any Executive position or be a board member for one year. No Executive Officer shall serve more than two consecutive terms in office and they are term limited out of office.

#### Section 6

### **Vacancy Rules for Officers and Board of Directors**

In the event of a vacancy for any officer of the corporation or board of director the President, may appoint a person to carry out the duties of that office until the office can be duly elected at the next official business meeting of the corporation.

## Section 7

### **Presidential Duties**

The President shall preside at all meetings of the Association, the Board, and the Executive Committee and shall perform all duties, as are by custom and parliamentary practice, required of that office.

## Section 8

The President shall serve as Conference Program Chairperson.

## Section 9

### **Vice Presidential Duties**

The Vice President shall assist the President in the performance of the duties of that office and shall assume the duties of that office in the event of the absence or disability of the President. In addition, the Vice President shall serve as Assistant Conference Chairperson.

## Section 10

### **Treasurer Duties**

The Treasurer shall serve as chair of the Budget Committee, prepare, distribute and maintain a permanent record of all business conducted at official Association meetings, make an annual financial report to the Board of Directors and perform other duties as are by custom and parliamentary practice or direction from the Board or Executive Committee Required of that office.

## Section 11

### **Executive Secretary/Assistant Treasurer**

The Executive Secretary/Assistant Treasurer shall be responsible for ensuring that accurate and sufficient documentation exists to meet legal requirements, and to enable authorized persons to determine when, how, and by whom the board's business was conducted. In order to fulfill these responsibilities, and subject to the organization's bylaws, the Secretary records minutes of meetings, ensures their accuracy, and availability, proposes policies and practices, submits various reports to the board,

maintains membership records, fulfills any other requirements of a Director and Officer, and performs other duties as the need arises and/or as defined in the bylaws.

## **ARTICLE V. Board of Directors**

### Section 1

The Board of Directors shall consist of the following:

- a. President, who shall serve as Chairperson
- b. Vice President
- c. Treasurer
- d. Secretary/Assistant Treasurer
- e. Secretary of State or his designee
- f. No more than eight board members

### Section 2

#### **Board Qualifications.**

The Board members shall be persons who have been Active, Retired and representatives of Institutional and Corporate members of the Association for a minimum of one full year immediately prior to official nomination or appointment.

### Section 3

#### **Board of Directors Quorum**

The Board of Directors shall not conduct official association business without a Quorum. The Quorum for the Board of Directors shall be 50% of the total Board of Directors members at any officially called meeting of the association. The Quorum for the Executive Committee shall be 50% of the total Executive Committee members at any officially called meeting of the association. The total for a quorum shall not include the Secretary of State or his designee.

### Section 4

#### **Board Members Term of Office**

A board members term of office shall begin immediately upon election during a duly called business meeting of the association at the annual conference which shall take place no later than the first Friday in May each calendar year.



3.1 A board member shall not serve for more than three consecutive two-year terms on the Board of Directors and they are term limited out of office. A period of at least one year must elapse before a member can be reelected to serve a new term on the Board of Directors. The board members shall be elected by the general membership at the duly called business meeting at the annual conference. All board members shall have the same voting rights and privileges and are expected to attend all meetings of the Board of Directors. The Secretary of State Representative is a non-voting member of the board of directors.

3.2 If any member of the board has three unexcused absences from a duly called meeting of the Board of Directors or Executive Committee they shall be removed from office, and the President shall have the authority to appoint a replacement, until the next duly called business meeting of the corporation when an election shall be held to fill the vacancy.

## Section 5

### **Board Member Special Provision**

Where there is an incumbent board member who has not completed consecutive terms of office to a maximum of six years of service as provided for in Section 3, provision shall be made for a special one year term to satisfy the term limit requirement. Provision shall also be made for a special one-year term where there is a need to establish a vacant board seat for each association year.

## Section 6

### **The Board of Directors**

5.1 ratify the action of the Executive Committee

5.2 formulate and/or approve policies for the Association;

5.3 interpret the provisions of the Constitution in case of doubt relative to its provisions;

5.4 approve an annual budget and render a report to the Association;

5.5 deleted

5.6 propose to the membership amendments to the Constitution and Bylaws;

5.7 establish time and place of meetings;

- 5.8 approve honorary members;
- 5.9 ratify Executive Committee recommendations on annual conference fees;
- 5.10 ratify Executive Committee recommendations on contracts over \$1000;
- 5.11 ratify Executive Committee recommendations on membership policies; and
- 5.12 perform such other duties as may be necessary for the functioning of the Association, including membership and dues.

#### Section 7

### **Vacancy on Executive Committee**

The Board of Directors shall be empowered to fill any vacancy which may occur on the Executive Committee by election of an additional Board member thereto, but the total membership of the Executive Committee shall not exceed six persons.

## **ARTICLE VI. EXECUTIVE COMMITTEE**

#### Section 1

- a. President, who shall serve as Chairperson;
- b. Vice President;
- c. Treasurer;
- d. Executive Secretary/Assistant Treasurer;
- e. Deleted;
- f. One member from the Board of Directors;

#### Section 2

### **Board Member Representative to the Executive Committee**

The Board Member Representative to the Executive Committee shall be elected by the Board of Directors at the annual conference. Board members who will be incoming Senior Board Members are eligible candidates for nomination as the Board Member Representative. The Board Member Representative may not be an officer of the Association. The Board Member Representative's term of service on the Executive Committee shall be for two years and then another board member shall be elected to the Executive Committee.

## Section 3

### **Executive Committee Responsibilities**

The Executive Committee shall:

- 3.1 recommend policies for the consideration of the Board of Directors;
- 3.2 assist the President in matters where decisions will affect the policy and welfare of the Association;
- 3.3 review and evaluate the work of the various committees and keep the Association informed of such reviews and evaluations;
- 3.4 assist the Budget Committee in the preparation of an annual budget;
- 3.5 review from time to time, the provisions of the Constitution and recommend changes to the Constitution and Bylaws Committee when deemed necessary;
- 3.6 perform, subject to review by the Board of Directors and approval by the Association, such other duties as may be necessary for the efficient functioning and administration of the Association; and
- 3.7 recommend, subject to board ratification, annual conference fees;
- 3.8 recommend, subject to board ratification, the establishment of contracts over \$1,000
- 3.9 recommend, subject to board ratification, appropriate dues and membership categories; and
- 3.10 at the annual meeting render to the Board and the membership a report on the status and activities of the organization during the preceding year.

## **ARTICLE VII. STANDING COMMITTEES**

### Section 1

#### **The Standing Committees of the Association**

- (a) Budget
- (b) Constitution & Bylaws
- (c) Membership and Elections
- (d) Publications
- (e) Legislation
- (f) Standards
- (g) Business Professional Development
- (h) Education

### Section 2

#### **Additional Committees**

Additional committees may be formed or dissolved as deemed necessary by the President upon authorization of the Board of Directors.

### Section 3

#### **Committee Chairperson**

The Chairperson and members of each committee shall be appointed by the President with the approval of the Executive Committee. The Chairperson of the Budget Committee shall be the Treasurer.

### Section 4

#### **Qualifications to Serve on Committees**

Active, Retired, Corporate, and Institutional members may serve on Standing or additional committees created under Section 2 of this article and do not have to be standing members of the Board of Directors. Each committee shall have a minimum of two members.

## Section 5

### **Budget Committee**

The Budget Committee shall, in consultation with the Executive Committee, prepare an annual budget for presentation to the Board of Directors.

## Section 6

### **Constitution and Bylaws Committee**

The Constitution and Bylaws Committee shall present to the Board of Directors for its consideration, proposed amendments to the Constitution and Bylaws.

## Section 7

### **Membership and Elections Committee**

The Membership and Elections Committee shall be responsible for counting the ballots for all regular and special Association elections and for certifying the election results, and shall annually develop and implement a campaign to increase Association membership.

## Section 8

### **Publications Committee**

The Publications Committee shall be responsible for recommending and supervising the development of Association publications and serving in an advisory capacity to editors of such publications. The official publication for the association is The Instructor.

## Section 9

### **Standards Committee**

The Standards Committee shall propose to the Board of Directors, programs for Teacher/Instructor Training and Curriculum Standards to improve the quality of Traffic Safety Education.

Section 10

**Legislative Committee**

The Legislative Committee shall monitor legislative bills that come before the Maine Legislature and recommend association positions on such bills. The committee shall also be responsible for drafting legislative initiatives for the association as shall be deemed necessary.

Section 11

**Professional Development Committee**

Professional Development Committee shall endeavor to improve the professional opportunities and development of a positive climate for providers of traffic safety to thrive and survive minimizing obstacles to their success within the State of Maine.

Section 12

**Education Committee**

Education Committee shall develop educational opportunities for providers of traffic safety within the State of Maine, and suggest educational standards as may be deemed appropriate for providers of traffic safety. The Education Committee shall also be responsible for curriculum standards for traffic safety programs and their respective development.

**ARTICLE VIII. MEETINGS**

Section 1

**Annual Conference**

The Association shall hold an annual conference no later than the first Friday in May each calendar year, and such other meetings as are necessary the time and place of which will be decided by a majority vote of the Board of Directors.

Section 2

**Regular Meetings**

The regular meetings of the Association shall be open to the general membership. The only exceptions shall be meeting agenda items which involve personnel matters or other matters of confidential nature when the Board of Directors shall vote to go into executive session.

## **ARTICLE IX. PUBLICATIONS**

### Section 1

#### **Dissemination of Information**

The Association shall prepare and disseminate information concerning driver education and specifically related activities in traffic safety education through appropriate publications authorized by the Board of Directors. The official publication of the association shall be "The Instructor".

## **ARTICLE X. AMENDMENTS**

### Section 1

#### **Constitution**

The Constitution may be amended by a two-thirds (2/3) majority of Active members voting. Voting shall be by ballot circulated by the Election and Membership Committee with the proposed amendments in printed form at the annual conference. An amendment may be proposed by the Board of Directors by petition signed by the membership. Upon receipt of such petition, the Executive Committee shall present the amendment as provided by this Article. It is further provided that nothing in the proposed amendment shall conflict with the Act of Incorporation.

## **ARTICLE XI. RATIFICATION**

### Section 1

#### **Constitution Effective Date**

This Constitution shall become effective upon ratification by three-fourths (3/4) of those present at the Conference of Maine Driver and Traffic Safety Education Officers at the first annual meeting April 29, 2011.

## **ARTICLE XII. BYLAWS**

### Section 1

#### **Authority for Bylaws**

Details regarding organization and activities of the Association shall be regulated by the Bylaws. The Bylaws may be amended at any official business meeting of the Association by a majority of the Active members present or by a mail vote of a majority of the Active members voting, providing that notice of proposed change has been given to all Active members at least 60 days before the date of the official business meeting.

### Section 2

#### **Amendments to the Bylaws**

When amendments to the Bylaws are to be voted upon at an official business meeting, Active members unable to attend the meeting may request an absentee ballot from the President. Absentee ballots must be returned to the President and must be postmarked at least ten (10) days prior to the date of the business meeting.

## **ARTICLE XIII. DISSOLUTION**

### Section 1

#### **Rules for Dissolution of Association**

The Association shall be dissolved only upon the vote of two-thirds (2/3) of the membership upon one year's notice.

### Section 2

#### **Assets of Association**

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the organization is then located, exclusively for such purposes or to said organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.



## Section 3

### **Prohibitions**

None of the assets of the Association shall ever revert to the individuals of organizations comprising its membership, nor shall any donor be given preferential consideration in the disposition of assets.

## **BYLAWS**

### **ARTICLE I PARLIAMENTARY AUTHORITY**

#### Section 1

In all matters not covered by its Constitution and Bylaws, the Association shall be governed by the provisions of the latest edition of Robert's Rules of Order, revised, in all cases to which they are applicable and in which they are not inconsistent with these bylaws.

### **ARTICLE II. AFFILIATIONS**

#### Section 1

Any association, professional organization or group whose interests and purposes are similar to those of the Maine Driver and Traffic Safety Education Association and whose constitution and bylaws are consistent with the Constitution and Bylaws of the Association may, upon request, and on approval of the Board of Directors, become affiliated with the Association. The purpose of the affiliation shall be to enable the Maine Driver and Traffic Safety Education Association and the affiliated groups to work effectively in the achievement of their common goals.

### **ARTICLE III. SUFFRAGE**

#### Section 1

Suffrage shall include Active Primary, Active Associate, Institutional, Corporate, Honorary, and Retired members.

### **ARTICLE IV. MEMBERSHIP DUES**

#### Section 1

Membership dues for Active Primary, Active Associate, Institutional, Corporate, Honorary, and Retired members shall be established by the Executive Committee, subject to ratification by the Board of Directors.

#### Section 2

Honorary membership dues shall be waived.

### Section 3

Retired membership dues shall equal active membership.

### Section 4

The membership year shall expire annually the first Friday in May.

## **ARTICLE V. COOPERATING ORGANIZATIONS**

### Section 1

The Association shall provide the framework to enable professional organizations to contribute to the effectiveness of traffic safety education programs in public schools, commercial driving schools, the private Sector, industry and other areas. The Association shall foster a cooperative relationship with such groups but shall not permit such groups to speak for the Association.

## **ARTICLE VI. FISCAL YEAR**

### Section 1

The Fiscal Year for the Association shall begin on January 1 and end on December 31.

## **ARTICLE VII. STANDING COMMITTEES**

### Section 1

#### **The Standing Committees of the Association**

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## Section 2

### **Additional Committees**

Additional committees may be formed or dissolved as deemed necessary by the President upon authorization of the Board of Directors.

## Section 3

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The Chairperson and members of each committee shall be appointed by the President with the approval of the Executive Committee. The Chairperson of the Budget Committee shall be the Treasurer.

## Section 4

### **Qualifications to Serve on Committees**

Active, Retired, Corporate, and Institutional members may serve on Standing or additional committees created under Section 2 of this article and do not have to be standing members of the Board of Directors. Each committee shall have a minimum of two members.

## Section 5

### **Budget Committee**

The Budget Committee shall, in consultation with the Executive Committee, prepare an annual budget for presentation to the Board of Directors.

## Section 6

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The Constitution and Bylaws Committee shall present to the Board of Directors for its consideration, proposed amendments to the Constitution and Bylaws.

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The Publications Committee shall be responsible for recommending and supervising the development of Association publications and serving in an advisory capacity to editors of such publications. The official publication for the association is The Instructor.

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The Standards Committee shall propose to the Board of Directors, programs for Teacher/Instructor Training and Curriculum Standards to improve the quality of Traffic Safety Education.

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The Legislative Committee shall monitor legislative bills that come before the Maine Legislature and recommend association positions on such bills. The committee shall also be responsible for drafting legislative initiatives for the association as shall be deemed necessary.

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Professional Development Committee shall endeavor to improve the professional opportunities and development of a positive climate for providers of traffic safety to thrive and survive minimizing obstacles to their success within the State of Maine.

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## **ARTICLE VIII. MEETINGS**

### Section 1

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The Association shall hold an annual conference on the first Friday in May, and such other meetings as are necessary the time and place of which will be decided by a majority vote of the Board of Directors.

### Section 2

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### Section 1

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### Section 1

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## **ARTICLE XII. BYLAWS**

### Section 1

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Details regarding organization and activities of the Association shall be regulated by the Bylaws. The Bylaws may be amended at any official business meeting of the Association by a majority of the Active members present or by a mail vote of a majority of the Active members voting, providing that notice of proposed change has been given to all Active members at least 60 days before the date of the official business meeting.

## Section 2

### **Amendments to the Bylaws**

When amendments to the Bylaws are to be voted upon at an official business meeting, Active members unable to attend the meeting may request an absentee ballot from the President. Absentee ballots must be returned to the President and must be postmarked at least ten (10) days prior to the date of the business meeting.

## **ARTICLE XIII. DISSOLUTION**

### Section 1

#### **Rules for Dissolution of Association**

The Association shall be dissolved only upon the vote of two-thirds (2/3) of the membership upon one year's notice.

### Section 2

#### **Assets of Association**

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the organization is then located, exclusively for such purposes or to said organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

### Section 3

#### **Prohibitions**

None of the assets of the Association shall ever revert to the individuals of organizations comprising its membership, nor shall any donor be given preferential consideration in the disposition of assets.



## **CONFLICT OF INTEREST POLICY**

### **Article I. Purpose**

#### Section 1

The purpose of this conflict of interest policy is to protect MEDSTEA's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of MEDSTEA or might result in a possible excess benefit transaction.

#### Section 2

This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

#### Section 3

This policy is also intended to identify "independent" directors.

### **Article II. Definitions**

#### Section 1

Interested person – Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### Section 2

Financial Interest – A person has a financial interest if the person has, directly or indirectly, thru business, investment, or family:

- a. an ownership or investment interest in any entity with which MEDTSEA has a transaction or arrangement, or
- b. a compensation arrangement with MEDTSEA or with any entity or individual with which MEDTSEA has a transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MEDTSEA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of

Executive Committee decides that a conflict of interest exists, in accordance with this policy.

### Section 3

Independent Director – A director shall be considered “independent” for the purpose of this policy if he or she is “independent” as defined in the instructions for IRS 990 form or, until such definition is available,

The Director -

- a. is not, and has not been for a period of at least three years, an employee of MEDTSEA or any entity in which MEDTSEA has a financial interest;
- b. does not directly or indirectly has a significant business relationship with MEDTSEA, which might affect independence in decision making;
- c. is not employed as an executive or any other corporation where any of MEDTSEA's executive officers or employees serve on that corporation's compensation committee; and
- d. does not have an immediate family member who is an executive officer or employee of MEDSTEA or who holds a position that has a significant financial relationship with MEDSTEA.

## **Article III. Procedures**

### Section 1

Duty to Disclose – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Executive Committee.

### Section 2

Recusal of Self - Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

### Section 3

Determining Whether a Conflict of Interest Exists – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Executive Committee members shall decide if a conflict of interest exists.

## Section 4

### Procedure for Addressing the Conflict Of Interest:

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

## Section 5

### Violations of the Conflict of Interest Policy –

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

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

### Section 1

The Minutes of the Board and all committees with board delegated powers shall contain:

- a. The names of the person who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Executive Committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**MEDTSEA DIRECTOR AND OFFICER  
ANNUAL CONFLICT OF INTEREST STATEMENT**

1. NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

2. POSITION: Are you a voting director [ ] Yes [ ] No

Are you an officer [ ] Yes [ ] No

If you are an officer, which office position do you hold: \_\_\_\_\_

3. I affirm the following:

I have received a copy of MEDSTEA conflict of interest policy. \_\_\_\_\_(initial)

I have read and understand the policy. \_\_\_\_\_(initial)

I agree to comply with the policy. \_\_\_\_\_(initial)

I understand the MEDSTEA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax exempt purposes. \_\_\_\_\_(initial)

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest with MEDSTEA? [ ] Yes [ ] No

i. If yes, please describe it, including when (approximately): \_\_\_\_\_

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ii. If yes, has a financial interest been disclosed as provided in the Conflict of Interest Policy? [ ] Yes [ ] No

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest Policy with MEDSTEA? [ ] Yes [ ] No

i. If yes, please describe it, including when (approximately): \_\_\_\_\_

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ii. If yes, has a financial interest been disclosed as provided in the Conflict of Interest Policy? [ ] Yes [ ] No

5. Are you an Independent director, as defined in the Conflict of Interest policy? [ ] Yes [ ] No

a. If you are an independent, why? \_\_\_\_\_

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Signature of Director

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Date of Review by Executive Committee