



**BYLAWS  
OF  
MILWAUKEE DEMOCRATIC SOCIALISTS OF AMERICA, INC.**

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**ARTICLE I  
PURPOSE**

Milwaukee Democratic Socialists of America, Inc. (the “Chapter”) is created and shall be operated exclusively to seek to facilitate the transition to a truly democratic and socialist society, one in which the means and resources of production are democratically and socially controlled, and at all times shall operate consistent with the requirements of 501(c)(4) of the Internal Revenue Code of 1986 (the “Code”).

**ARTICLE II  
CHAPTER OPERATIONS**

The Chapter agrees to the all of the following:

**2.1. Affiliation Agreement**

The Chapter agrees to enter into and abide by the Affiliation Agreement and any additional policies and procedures required for Chapters by the Democratic Socialists of America (“DSA”);

**2.2. Reports**

The Chapter agrees to report its activities to DSA as requested and provide the requested reports on its activities and financials;

**2.3. Control and Supervision**

If the Chapter desires to be recognized under the DSA Group Exemption, the Chapter agrees to be included in the group ruling and agrees to be under the general control and supervision of DSA, as those terms are applied for purposes of a group ruling under section 501(c)(4) of the Code; and

**2.4. Termination of Status**

The Chapter understands that if it is no longer covered by the group exemption, for any reason, the Chapter will need to apply directly to the IRS for exemption and pay the IRS filing fee should it wish to be exempt, unless it otherwise qualifies.

## **ARTICLE III MEMBERSHIP**

### **3.1. Qualifications**

Members of the Chapter ("Members") will be those individuals whose dues are paid in full to the Democratic Socialists of America, a national 501(c)(4) organization, ("DSA"), who reside and/or work in the Greater Milwaukee area, defined as Milwaukee County and the surrounding counties of Kenosha, Ozaukee, Racine, Washington, and Waukesha. Individuals may not be members of the Chapter without being members of DSA.

### **3.2. Responsibilities**

It is the responsibility of Members to approve policies and guidelines for the operation of the Chapter, to elect delegates to the national convention, to vote on matters related to national policy, and to make recommendations on issues and other matters to the National Political Committee of DSA.

### **3.3. Removal of Members**

If a Member in good standing is found to be in substantial disagreement with the principles or policies of national DSA, or if they are found to be consistently engaging in undemocratic, disruptive behavior, or if they are found to be under the discipline of any self-defined democratic centralist organization, the Chapter may vote to expel them from the local Chapter of DSA. In order for such a finding to be made, another DSA Member must formally prefer written charges against the Member in question to the Chapter Executive Committee, which shall set the date of a Chapter meeting for deliberations on the charges. The Member in question must receive a copy of the written charges and notice of the meeting a minimum of two weeks before that meeting takes place. Expulsion of a Member requires a two-thirds (2/3) vote of Members present at a Chapter meeting. An expelled Member in good standing may appeal to the National Political Committee of DSA.

In all cases, prior to discipline, the Chapter should consider and abide by the principles of privacy, accountability, and restorative justice.

### **3.4. Voluntary Donations**

Consistent with the national DSA constitution and bylaws, the Chapter may establish a Chapter pledge system of voluntary donations for its Members. The payment of a Chapter donation may not be a requirement for voting or for holding Chapter office.

### **3.5. Rights and Powers**

All Members in good standing shall be eligible to:

- A. Vote in all elections and matters brought before the Membership, after having been a Member for at least thirty days;
- B. Be nominated or appointed to office in the Chapter;
- C. Be elected as delegate from the Chapter to Regional, State, or National DSA convenings.

### **3.6. Proxy Voting**

A voting Member who is present at an election meeting may hold up to two signed proxies from other non-present Members in good standing, and vote for those Members.

### **3.7. Nonliability of Members**

A Member of this Chapter is not, as such, personally liable for the debts, liabilities or obligations of the Chapter.

### **3.8. Resignation**

Any Member may resign from the Chapter by written notice, effective upon receipt by the Chapter's Secretary.

## **ARTICLE IV MEMBERSHIP MEETINGS**

### **4.1. Annual Meeting**

The Chapter Annual Membership Meeting shall occur annually in March to elect officers and to adopt an annual budget, as needed. In general, it is the highest legislative body of the Local Chapter. The Annual Meeting may coincide with a General Meeting.

### **4.2. General Meetings**

The Chapter shall hold General Membership Meetings at least four times annually, the time and place of which shall be set in a schedule published and distributed by the Executive Committee. The General Meetings will set Chapter policy and work priorities, and they will include political education sessions. The Executive Committee will create and publish an agenda for General Meetings. In general, the General Meeting is the operating legislative body of the Local Chapter.

### **4.3. Special Meetings**

Special Meetings may be called by the Co-Chairs, the Executive Committee, or upon written request of three Members of the Local Chapter to both Co-Chairs who shall duly notify the membership when urgent and important matters require deliberation. The purpose of the meeting shall be stated in the Special Meeting notice. At a Special Meeting, only the items stated on the notice can be discussed or transacted on.

### **4.4. Notice**

All Members of the Chapter shall be sent notice of an agenda for each Annual Membership Meeting at least 30 days before the Annual Meeting. Notice may be sent by electronic means, but individuals who have not provided an email address must be sent a paper copy. The Co-Chairs shall be responsible for finalizing the content of the agenda and the Secretary shall be responsible for distributing the agenda to the membership.

The Executive Committee shall publish a proposed agenda for each General Meeting at least 5 days prior to that meeting. Once published, any additional revisions or additions will need to take place at the General Meeting. In urgent matters, the agenda may be revised after it's published, but it will require a two-thirds vote from the Executive Committee. The Executive Committee shall give notice of Special Meetings at least 5 days prior to that meeting, except in cases of emergency. For General and Special Meetings, members shall be sent notice by electronic means.

#### **4.5. Petition**

Any item on a petition signed by any five Members submitted to one of the Co-Chairs shall be included on the proposed agenda of a Membership Meeting, as long as that petition is received at least two days before the Co-Chairs would have finalized the agenda for that meeting.

#### **4.6. Quorum**

Quorum shall consist of 50% of the average attendance of Members present at the last two General Meetings.

#### **4.7. Rules**

All resolutions, amendments, and officer reports presented to the Members at the Annual Meeting will allow for a question and answer period to be followed by speakers wishing to voice their opinions. All other rules covering the conduct of the Annual or Special Meeting shall be set by the Executive Committee or a committee it appoints for that purpose.

#### **4.8. Electoral Endorsements**

The Members in Annual, General, or Emergency Meeting are authorized to make electoral endorsements on behalf of the Chapter. Alternatively, a written ballot sent to all Members can also authorize an electoral endorsement. An electoral endorsement requires a two-thirds (2/3) majority of participating Chapter voters, provided a quorum is met. In exceptional situations, the Executive Committee may endorse candidates by three-quarters (3/4) vote where time constraints do not allow holding a Special Meeting. Unless otherwise authorized, members or committees of the Chapter are prohibited from campaigning as representatives of DSA for candidates or ballot measures that the Chapter has not officially endorsed.

### **ARTICLE V ELECTIONS**

#### **5.1. Elections Committee**

A three-person Elections Committee shall be established at least one month prior to every officer or delegate election. It shall be chaired by an At-Large Director and shall have two Members who are not on the Executive Committee, selected by the Membership at a Member Meeting. It shall solicit and receive nominations for the positions to be elected as soon as nominations are open. This Committee shall be responsible for the election of all officers, directors and delegates, and is dissolved when its duties are completed.

#### **5.2. Nomination of Officers**

Nominations for Chapter officers shall be opened four (4) weeks before the officer election and closed one (1) week before the election.

#### **5.3. Election of Officers**

Officers are elected either at the Annual Membership Meeting or by written ballot within four (4) weeks of the Annual Membership Meeting.

#### **5.4. Nomination of Directors**

Nominations for directors shall open at the announcement of the results of the officer elections and close one week prior to the director election.

#### **5.5. Election of Directors**

Directors are elected at a General Meeting to occur within three (3) weeks of the Annual Meeting, or by written ballot within 3 weeks of the Annual Meeting.

#### **5.6. Nomination of Delegates**

Nominations for delegates shall open four (4) weeks before the election and close one week before the election. Nomination may occur differently if these rules conflict with DSA Bylaws or if time does not permit.

#### **5.7. Election of Delegates**

Election of Delegates to regional, state, or national Conventions shall occur at a General meeting as determined by the Executive Committee, at least one month prior to the Convention. The delegate election process will conform to DSA bylaws and the National Convention calendar.

#### **5.8. Voting process**

If the number of candidates in an election is greater than two (2) more than the number of positions being elected, voting must proceed by preference voting.

Ballots may be electronic ("Written Ballot") but anyone who has not provided an email address to the Chapter or DSA must be given a paper ballot.

If voting does not occur at a Membership Meeting, the number of returned ballots must equal the quorum requirements had the vote occurred at a Membership Meeting.

A Written Ballot shall include:

- Each proposed action and provide an opportunity to vote for or against each proposed action.
- The number of responses needed to meet the quorum requirements.
- The percentage of approvals necessary to approve each matter other than election of directors.
- The time by which a ballot must be received by the corporation in order to be counted.

#### **5.9. Uncontested Positions**

If a position is uncontested, the nominee may be declared elected by acclamation. If any Member objects to such election by acclamation, Members must vote "yes" or "no" for the nominee.

#### **5.10. Notice for Elections**

The Executive Committee shall give notice of any Chapter election in a dedicated email announcement no later than fifteen (15) days prior to the election and shall include the time and place of the election, the candidates and/or questions before the membership in the election, and all pertinent instructions.

## **ARTICLE VI EXECUTIVE COMMITTEE**

### **6.1. General Powers and Duties**

The management, control and operation of the affairs and properties of the Corporation are vested in the board of directors of the Corporation (the "Executive Committee").

The Executive Committee administers the affairs of the Chapter and oversees the implementation of the decisions of the Membership Meetings; it may also propose policy to the Membership Meetings. It shall have the power to receive reports of any committee or branch, and advise thereon, to call Special Meetings of the Local Chapter, and to act on any matter that requires immediate and urgent action. The Executive Committee is the regular executive body of the Chapter, and thus operates consistent with the authority given to it by the Membership.

The Chapter Executive Committee will be responsible for establishing program activities for the Chapter, for proposing guidelines and policies that will subsequently be voted on by members in good standing of DSA, and for acting on the organization's behalf between Chapter meetings.

The Executive Committee shall present an Annual Report to the Membership at the Annual Meeting.

### **6.2. Composition**

The Executive Committee shall consist of eight (8) individuals: two (2) Co-Chairs; Secretary; Treasurer; Education Officer; Outreach Officer; and two At-Large Directors. The At-Large Directors shall work to support the efforts of the Chapter's committees, subcommittees, and working groups, and perform other duties as assigned by the Executive Committee. The Chapter shall strive to promote wide representation of marginalized groups among its Directors and membership.

### **6.3. Qualifications**

Directors and Officers shall be Members of this Chapter.

### **6.4. Nominations and Election**

Directors and Officers shall be elected consistent with Article V, Elections.

### **6.5. Terms**

Officers and Directors shall serve terms of 12 months, which end when their successors are elected.

### **6.6. Regular Meetings**

The Executive Committee shall meet within ten (10) days of the election of the Directors to create by mutual agreement a schedule of meetings. Changing this schedule shall require a majority vote at a Regular Meeting, with notice duly given to all Officers and Directors.

### **6.7. Notice**

Notice of each meeting, with an agenda, shall be sent electronically to all Officers and Directors at least five (5) days before any Executive Committee Meeting, except a Special Meeting as described below. Once the agenda is sent electronically, any revisions or additions will need to take place at the Executive Committee Meeting. In urgent matters, the agenda may be revised after it's sent electronically, but it will require a two-thirds vote from the Executive Committee.

## **6.8. Special Meetings**

Special Meetings may be called by the Co-Chairs or three (3) members of the Executive Committee, who shall duly notify each member of the Executive Committee when urgent and important matters require deliberation. The purpose of the meeting shall be stated in the Special Meeting notice. Except in cases of emergency, at least five (5) days' notice shall be given. At a Special Meeting, only the items stated on the notice can be discussed or transacted on.

## **6.9. Conduct of Meetings**

A Co-Chair shall preside over meetings of the Executive Committee. In the absence of both Co Chairs, those present shall elect a temporary presider for the meeting. Members of the Chapter shall have the right to speak but not vote at any meeting of the Executive Committee.

## **6.10. Petition**

Any item on a petition signed by any five (5) Members submitted to one of the Co-Chairs shall be included on the proposed agenda of an Executive Committee Meeting, as long as that petition is received at least two (2) days before the Co-Chairs would have finalized the agenda for that meeting.

## **6.11. Quorum**

A quorum of half of the Executive Committee shall be required for the transaction of Executive Committee business.

## **6.12. Manner of Acting**

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors except where otherwise provided by law or by these Bylaws.

## **6.13. Meetings by Electronic Means of Communication**

Members of the Executive Committee or any committee of the Board may conduct any regular or special meeting by use of any electronic means of communication provided, (1) all participating Committee members may simultaneously hear or read each other's communications during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Committee member and each participating Committee member is able to immediately send messages to all other participating Committee members. Before the commencement of any business at a meeting at which any Committee members do not participate in person, all participating Committee members shall be informed that a meeting is taking place at which official business may be transacted. Participation in such manner shall constitute presence in person at such meeting for the purposes of these Bylaws.

## **6.14. Action Without a Meeting**

In accordance with § 181.0821, Wis. Stats., any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action to be taken, shall be signed by two-thirds of the Directors entitled to vote with respect to the subject matter thereof, provided all directors receive notice of the text of the written consent and of its effective date and time. Any such consent signed by two-thirds of the Directors has the same effect as a two-thirds vote and may be stated as such in any document filed with the Department of Financial Institutions.

### **6.15. Vacancies**

In the event of a vacancy, the Executive Committee will appoint an interim replacement by majority vote until a permanent replacement can be elected by the membership to serve the remainder of the term. The Executive Committee will solicit nominations for the permanent replacement within 30 days of the officer's resignation and schedule a vote to elect the permanent replacement within 60 days of the officer's resignation. The elections for new officers will be conducted in the same manner as regularly-scheduled annual elections.

### **6.16. Compensation**

The Officers and Directors shall serve without compensation; however, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties (for example, for child care or transportation). Any payments to Directors shall be approved in advance in accordance with this Corporation's conflict of interest policy, as set forth in Exhibit A.

### **6.17. Resignation**

Any Director may resign effective upon giving written notice to a Co-Chair or Secretary, unless the notice specifies a later time for the effectiveness of such resignation.

A member of the Executive Committee will be understood to have given notice of resignation by missing three consecutive Regular Meetings of the Executive Committee. If so, the Executive Committee shall notify that member that they have the opportunity to be reinstated at the next Regular Meeting of the Executive Committee by majority vote if they provide reason for her absences and demonstrates continued interest in serving on the Executive Committee.

### **6.18. Termination**

Termination of a member of the Executive Committee may be initiated by majority vote of the entire Executive Committee or by petition signed by no less than ten percent (10%) of all Members. Termination shall require a two-thirds (2/3) vote by the Membership. Grounds for Termination include but are not limited to gross incompetence, willingmismangement of funds, consistently acting or encouraging action in contravention of the best interests of the organizations or other similar misconduct of a significant nature.

### **6.19. Nonliability of Officers and Directors**

The officers and directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

### **6.20. Indemnification by Corporation of Directors and Officers**

The Directors and Officers of the Corporation shall be indemnified by the Chapter to the fullest extent permissible under the laws of this state.

## **ARTICLE VII OFFICERS**

### **7.1. Officers**

The officers of the Corporation are two Co-Chairs, a Secretary, a Treasurer, an Education Officer and an Outreach Officer (the "Officers").

### **7.2. Election and Term of Office.**

Directors and Officers shall be elected consistent with Article V, Elections. Officers shall serve terms of 12 months, which end when their successors are elected.

### **7.3. Co-Chairs**

Co-Chairs shall share responsibility for overall coordination and operation of the Chapter, act as primary spokespeople, preside at Membership and Executive Committee meetings, and be keylist contacts for the National Office. They shall initiate such actions and policies as the Chapter's general welfare may demand. The two Co-Chairs cannot be of the same gender.

### **7.4. Secretary**

The Secretary shall record the minutes of Membership and Executive Committee Meetings. The Secretary shall also maintain a current list of active, recently inactive members, and terminated members (with date of termination), provide meeting notice and agendas as required by these Bylaws, and prepare correspondence as specified by the Executive Committee. The Secretary shall take attendance and determine quorum at all Membership and Executive Committee Meetings. The Secretary shall maintain a copy of the Bylaws, original and as altered to date. The Secretary shall maintain meeting minutes on permanent record of all Executive Committee and Membership Meetings, as well as meetings of any other bodies that have had power to transact business delegated to it by the Executive Committee or the Membership. The Secretary is the custodian of record.

### **7.5. Treasurer**

The Treasurer shall be the Chief Financial Officer of the Chapter, be responsible for adhering to fiscal procedures specified by DSA, make deposits and disbursements, and ensure that annual national and local dues are current for each member. The Treasurer will make an annual report at the General Meeting, as well as periodic reports as requested by the Executive Committee. The Treasurer shall keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The Treasurer shall render to the Chairs and Directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the Corporation.

### **7.6. Education Officer**

The Education Officer shall be responsible for the educational work of Milwaukee DSA. The officer shall arrange formal political discussions, study groups within Milwaukee DSA, and forums.

### **7.7. Outreach Officer**

The Outreach Officer shall be responsible for social media, marketing, branding, and recruitment of Milwaukee DSA. Additionally, they shall serve as liaison to university Democratic Socialist organizations within the Milwaukee DSA region.

## **ARTICLE VIII COMMITTEES**

### **8.1. General provisions**

Committees, Working Groups, and Subcommittees do not have any powers of the Executive Committee unless delegated by the Executive Committee, and do not have any powers of the Membership unless delegated by the Membership.

### **8.2. Committees**

There shall be two standing Committees of the Chapter:

The Education Committee is chaired by the Education Officer and shall create educational opportunities for the Chapter and the community.

The Outreach Committee is chaired by the Outreach Officer and shall create opportunities for forwarding the Chapter's educational mission in the community and beyond.

### **8.3. Subcommittees**

Additional Committees called Subcommittees shall be formed by the Executive Committee to address a specific operational need that cannot be addressed by the Executive Committee. The Executive Committee may dissolve any Subcommittee that no longer serves the goals set by the Membership.

### **8.4. Working Groups**

Working Groups are formed by Members to work on an issue. Any three Members may create a Working Group. Each Working Group must submit its name, specific purposes, and plans to advance the general purposes of the Chapter, to the Secretary. Working Groups must:

- Keep accurate records of their activities
- Report to the Executive Committee upon request
- Submit by September 1 of each year their specific purposes and plans to advance the general purposes of the Chapter for the next twelve months

Failure to comply with these requirements will result in the automatic dissolution of the Working Group.

If the Executive Committee finds that a Working Group is conducting itself in a way contrary to the tax-exempt educational purposes of the Chapter, it can dissolve that Working Group by majority vote at an Executive Committee meeting. However, the members of the Working Group must be given notice at least seven (7) days in advance of this meeting and given the opportunity to attend and defend against the dissolution. Once a Working Group has been dissolved, it may appeal the dissolution at the next membership meeting. After final dissolution of a Working Group, any property and records of the Chapter must be turned over to the Executive Committee.

## **ARTICLE IX CAUCUSES**

### **9.1. Definition and Purpose**

Caucuses are independent, unofficial formations of Members within the Chapter. The Chapter encourages the formation of Caucuses to promote a vibrant democratic culture within the organization. With or

without consent from or recognition by any official Chapter leadership or the Chapter itself, Members may self-organize into temporary or permanent caucuses according to shared interests, affinities, and/or political goals. Caucuses may promote policies and actions for the Chapter to take on, and may challenge Chapter leadership and/or official Chapter policies.

## **9.2. Official Recognition**

A Caucus will be formally recognized by the Chapter if no less than five (5) members in good standing sign a mission statement that includes the name and purpose of the Caucus. The Secretary will be responsible for ensuring proper recognition.

# **ARTICLE X OPERATIONS**

## **10.1. Rules**

The Executive Committee shall establish rules for the Chapter as needed and to the extent that they do not conflict with these Bylaws.

## **10.2. Action Out of Order**

Any action taken by an officer or member of the Local Chapter in contravention of these Bylaws is null and void.

## **10.3. Execution of Instruments**

The board of directors or the "Executive Committee," except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

## **10.4. Prohibited Activities**

This Chapter shall not engage in activity prohibited by the IRS guidelines established for 501(c)(4) organizations or similar rules established by the state of Wisconsin, nor shall the Chapter engage in any activity prohibited by resolutions adopted by DSA's National Convention or DSA's National Political Committee.

No part of the net earnings of this Corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

## **10.5. Fiscal Year**

The fiscal year of the Corporation is the calendar year.

## **ARTICLE XI AMENDMENTS**

The Bylaws and Articles of Incorporation can only be amended by a two-thirds (2/3) majority vote of Members present at a Membership Meeting, or by written ballot sent to the whole Chapter.

Any group of at least ten (10) Chapter Members may propose Amendments to be considered at a General Meeting by petition submitted to a Co-Chair.

The Executive Committee may propose Amendments to be considered at a General Meeting by majority vote.

## **ARTICLE XII DISSOLUTION**

The Corporation shall be dissolved or subject to merger or any other form of corporate restructuring only upon the following: (1) a proposal endorsed by three-fourths (3/4) of the entire Executive Committee and (2) an affirmative vote of three-fourths (3/4) of the Members at a Membership Meeting or written ballot, a quorum being achieved.

Upon dissolution, the assets shall be distributed in accordance with the Corporation's Articles of Incorporation.

## **Adoption of Bylaws**

These Bylaws were adopted as the Bylaws of the Chapter on this date: November 17, 2018

Article VIII of the Chapter's previous Bylaws permits Bylaws amendments, according to the following process:

- Amendments can be initiated by the Executive Committee, which did so on this date: \_\_\_\_\_
- Amendments must be published to the Membership at least one month prior to the meeting where the amendments are voted on; these new Bylaws were published for the Membership on this date: \_\_\_\_\_
- Amendments must be approved by two-thirds vote at a Membership Meeting. This vote occurred on this date: March 23, 2019

Signed: Rachael Habermehl, Secretary

Printed Name: Rachael Habermehl, Secretary

Date: November 17, 2018; March 23, 2019; April 12, 2021

## **Exhibit A**

### **Conflict of Interest Policy**

#### **Section 1. Purpose of Conflict of Interest Policy**

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### **Section 2. Definitions**

##### **A. Interested Person**

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

##### **B. Financial Interest**

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

1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.  
Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

#### **Section 3. Conflict of Interest Avoidance Procedures**

##### **A. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

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

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the

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

**C. Procedures for Addressing the Conflict of Interest**

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

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

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

**D. Violations of the Conflicts of Interest Policy**

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Section 4. Records of Board and Board Committee Proceedings**

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

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

## **Exhibit B**

### **Harassment Grievance Policy and Harassment Grievance Officers (HGO)**

#### **Background**

All chapters are required by DSA to have a formal policy to deal with cases of harassment, in compliance with DSA guidance. Chapters with over 100 members must have two HGOs.

#### **Harassment Grievance Policy**

The Executive Committee shall maintain a Harassment Grievance Policy compliant with DSA policy.

#### **Harassment Grievance Officers**

If this Chapter is required to have any HGOs, HGOs shall be vetted and appointed by a process determined by the Executive Committee, subject to:

- HGOs shall have terms of one year
- HGOs can be removed with cause by majority vote of both the Executive Committee and 2/3 vote of the Membership.