



180 South Heathwood Drive Marco Island, Florida 34145

## **BY-LAWS of the MARCO ISLAND HISTORICAL SOCIETY, INC.**

### **ARTICLE I. NAME AND LOCATION**

Section 1. Name: The name of this incorporated organization shall be the Marco Island Historical Society, Inc. It is also known as "MIHS" or the "Society."

Section 2. The principal office of the Marco Island Historical Society, Inc. shall be situated at 180 South Heathwood Drive, Marco Island, FL 34145.

### **ARTICLE II. PURPOSE**

The Marco Island Historical Society, Inc. is organized for the purpose of preserving the history and heritage of Marco Island and the surrounding areas, promoting and maintaining an awareness of our area's history, and its importance for its members and the community. In furtherance of this purpose the Marco Island Historical Society, Inc.:

- Provides programs and promotes historical awareness in the community.
- Encourages positive interactions among the Marco Island Historical Society, Inc., its members and the residents, government and other community organizations, neighboring communities, and visitors to Marco Island.
- Supports all activities believed to be beneficial to the community and its members.
- Speaks for its membership in City, County, State, and National legislative and governmental matters.
- Operates and maintains at the Marco Island Historical Museum, the gift shop, the offices of the Society, and the Rose History Auditorium.
- Raises and provides funding for the exhibits, displays, programs, and collections of both the Society and of the Marco Island Historical Museum.

### **ARTICLE III. LIMITATIONS OF METHODS**

The Marco Island Historical Society, Inc. shall observe all local, state, and federal laws that apply to a non-profit organization as defined in Section 501(c)(3) of the Internal Revenue Code.

### **ARTICLE IV. MANAGEMENT**

The Board of Directors may, but not be required to, employ a MIHS Executive Officer and, through the budget and review process, determine his or her compensation. The Executive Officer will be hired at the appropriate level based on the needs of MIHS. The qualifications and duties shall be set out in the Executive Officer's Job Description, as adopted by the Board. If engaged, the MIHS Executive Officer is responsible to the Board of Directors for the Program of Work, organization structure and procedures, volunteers, staff, budget, income and expenditures, fundraising, and supervision of membership and donor database, employment, training and supervision of staff, interpretations of policy, maintenance of quarters, and short-range and long-range planning. If no MIHS Executive Officer is engaged, then the Board of Directors shall retain the above duties and responsibilities.

### **ARTICLE V. BOARD OF DIRECTORS**

#### **Section 1. Authority:**

Full control of the affairs of the Marco Island Historical Society, Inc. shall be vested in the Board of Directors.

#### **Section 2. Size:**

The Board of Directors shall consist of up to twenty-one (21) members, all of which shall have voting privileges.

1. Twenty-One (21) shall be three-year directors.
2. The Immediate-Past President shall serve at least a one-year term on the Board of Directors following the conclusion of his/her term unless more remains on his or her original term in which case he or she shall complete that term. If the term has expired, the Board of Directors may consist of twenty-two (22) for that year.
3. If employed, the MIHS Executive Officer is a permanent ex-officio member of the Board and Committees (non-voting).

Section 3.     Responsibilities:

The Board of Directors shall serve as the legislative body of the Marco Island Historical Society, Inc., and shall:

1. Establish policies which provide the framework for its decision-making responsibility on all matters affecting the civic and economic well-being of the Marco Island Historical Society, Inc. as deemed appropriate by the Board.
2. Create such committees and specialized task forces as it may, from time to time, deem advisable for the efficient operation of the corporation.
3. Approve Rules of Procedure, other than By-laws, which shall serve to guide the organization in the pursuance of its proper duties.
4. Approve the employment of the MIHS Executive Officer if one is engaged.

Section 4.     Term of Office:

A member of the Board of Directors shall serve in this capacity for two, three (3) year terms or a total of six (6) years unless the Board of Directors chooses to waive this provision and determines the need for a Director outweighs this term limitation. This provision will apply to all Director Positions filled after the date these By-laws are adopted. Upon the death, resignation, or removal; a vacancy shall be filled until the next annual election in accordance with Section 6 below.

Section 5.     Meeting and Attendance:

The Board of Directors shall, if possible, hold its meetings at least once a month, at a day and hour deemed to be most convenient to all concerned. Meetings of the Board shall be called whenever necessary for it to fulfill its fiduciary, legislative, and policy-making responsibility. Members of the Board of Directors may participate in a meeting of the Board by conference telephone or similar means of communication through which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting and any such member shall be considered part of the quorum when deemed appropriate by the President and/or the Executive Committee. All Directors are encouraged to attend Regular and Special meetings of the Board in keeping with their annual Board Service Commitment Pledge. Excessive absences may lead to referral to the Executive Committee for consideration of continued service by the Member on the Board.

Section 6.     Vacancy:

The President, with the approval of the Executive Committee may appoint a replacement Director with a majority vote of the Board of Directors. Such a replacement Director shall hold office until the next annual business meeting when that position will be filled by an election of the membership as provided for below.

Section 7.     Quorum:

One half of voting members of the Board of Directors, plus one shall constitute a quorum. The majority of such quorum shall control. All MIHS committees are to utilize the same definition for their meeting quorum as the Board of Directors.

Section 8.      Indemnification:

The MIHS, by resolution of the Board of Directors, shall provide for indemnification by the Marco Island Historical Society, Inc. of any and all of its Directors, MIHS Executive Officer or former Directors, against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding; in which they or any of them are made parties, or a party by reason of having been Directors of the Marco Island Historical Society, Inc., except in relation to matters as to which such Directors shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct. The Marco Island Historical Society, Inc. shall maintain an officers, directors, and employee liability insurance policy in an amount deemed sufficient by the Board in the above referenced resolution to insure the Marco Island Historical Society, Inc. against liability which may arise under this provision.

Section 9.      Written Actions:

May be sent out by the President or Executive Committee electronically for a vote by the Board of Directors in lieu of a formal meeting. A majority of all Directors must approve the action for it to take effect.

**ARTICLE VI. EXECUTIVE COMMITTEE**

Section 1.      Composition:

The Executive Committee shall be comprised to include:

1. The President
2. The President-Elect
3. Treasurer/Finance Committee Chairman
4. Secretary
5. Executive Officer (non-voting)
6. In the event an officer above (1-4) is unwilling or unable to perform the duties associated with the committee, the board shall appoint a Board member to the executive committee.
7. In the event of a vacancy, the Board can appoint a replacement.

The Executive Committee may also at times consist of up to eight (8) members who may, by virtue of their responsibilities, include:

The Immediate Past President

At large by appointment of the Executive Committee

Section 2.

Specific Responsibilities of the Executive Committee:

A. MIHS Executive Officer

The Executive Committee shall be responsible for hiring the MIHS Executive Officer. The terms, compensation, and conditions of his/her employment contract shall be negotiated by the Executive Committee and approved by the Board.

B. Authority Between Board Meetings

To promote the efficient operation of the Marco Island Historical Society, Inc., the Executive Committee shall be empowered to sit as the Board of Directors between regularly scheduled Board of Directors meetings. All decisions made by the Executive Committee sitting as the Board shall be strictly subject to the approval of the Board of Directors. The Executive Committee may bind the Marco Island Historical Society, Inc. without subsequent Board of Directors' approval if the authority to bind the Marco Island Historical Society, Inc. has been delegated to the Executive Committee by the Board either through a regular, special, or telephonic Board of Directors meeting. In the event of emergencies (as defined under State Law) the Executive Committee shall be empowered to make decisions until the conclusion of the emergency.

C. Limitations of Powers

The Executive Committee shall not have, nor may it be delegated the following powers:

1. Approve or recommend to members actions or proposals required by Florida Statutes Chapter 617 to be approved by members.
2. Fill vacancies on the Board of Directors or any committee thereof.
3. Adopt, amend, or repeal the By-laws.

Section 3.

Meetings:

Meetings of the Executive Committee may be called by the President or, in his/her absence, by the President-Elect. A majority plus one of the Executive Committee shall constitute a quorum at any meeting.

**ARTICLE VII. SELECTION OF DIRECTORS**

Section 1.

Nominating Committee:

On or about the July Board Meeting, the President shall appoint a Nominating Committee, which may consist of the full Board of Directors, with the President-Elect serving as Chair. If there is no President-Elect, then the President shall appoint a Chair. The Nominating Committee shall see that the election of members of the Board of Directors is carried out according to the terms and conditions of these By-laws, and to declare the true results of said election by written report to the Board of Directors.

Section 2.

Selection of Directors:

On or about the September Board Meeting, the Nominating Committee shall present a slate of candidates to replace (or to retain, if a Director runs for re-election) the Directors whose regular three-year terms are expiring or who have been appointed to fill a vacancy of a Director's position during the year. The candidate's willingness to accept Directorship responsibility shall be confirmed by the Committee. Nominations shall be made in such a manner to provide an opportunity for representation from as many diverse members as possible.

Section 3.

Notification:

Upon receipt of the report of the Nominating Committee, the President, Secretary, or the Executive Officer shall be instructed to immediately notify the membership by newsletter, letter, or email of the right of petition in Article VII, Section 4, of these By-laws. A list of the candidates nominated shall be kept on file in the Marco Island Historical Society, Inc. office.

Section 4.

Petition:

Additional names of candidates for Directors can be nominated by petition bearing the genuine signature of at least ten percent (10%) of the qualified members of the Marco Island Historical Society, Inc. A qualified member of the Marco Island Historical Society, Inc. is one who has been a member for at least six (6) months prior to the date of issuance of the list of candidates by the Secretary. Such petition shall be filed with the Nominating Committee within ten (10) days after notice has been given of those nominated. The determination of the Nominating Committee as to the validity of the petition shall be final.

Section 5.

Determinations:

If no petition is filed within the restrictions of Section 4, the nominations shall be declared closed and the nominated slate of candidates shall be elected by the membership, at the regular Annual Business Meeting of MIHS. If additional candidates shall be nominated by a petition declared valid by the Nominating Committee, the names of all shall be arranged on a ballot in alphabetical order for election by the general membership. Voting can be by written ballot, voice, or by hand vote as determined by the Election Committee. The Election Committee shall count the ballots and report the results to the Board at their next meeting. At this time, the Board shall vote to elect the candidates receiving the most votes.

Section 6.

Voting Restrictions:

Every member of the Marco Island Historical Society, Inc., whose dues are current, is entitled to one vote in any election, referendum, or membership meeting.

Section 7

Installation:

The Board of Directors shall be formally installed at the Annual Meeting.

Section 8

Certification of new Directors and election of officers:

Following the official determination of New Directors, the members of the newly constituted Board of Directors shall meet to organize themselves at a duly noticed meeting of their election at the call of the retiring President, which shall occur no later than the January Board of Directors meeting. The Directors shall elect the Officers as outlined in Article VIII.

Section 9.

Emeritus Board:

The Board of Directors can name and rename Emeritus Board Directors who shall serve as non-voting advisors to the Board and participate in deliberations, such directors shall be chosen from those whose counsel and advice is of special assistance to the Board.

## ARTICLE VIII. OFFICERS

### Section 1. Election:

The Board of Directors following the Annual General Members Meeting shall reorganize for the coming year. The Board of Directors shall nominate from current Directors for the ensuing year, the following Officers for the ensuing year: namely the President, President-Elect, Secretary, and Treasurer. The Board may appoint such Committee Chairs as are deemed necessary to accomplish the Program of Work and the aims of the Marco Island Historical Society, Inc. The nominee for the office of President shall be the President-Elect from the previous year, unless in the view of the Board of Directors said person is no longer able or suited to fulfill the duties of the President. If no President-Elect is in place, the Board of Directors shall select a nominee. When the proposed nominees have been agreed upon, such information shall be presented in written form to the current President and voted upon by the full Board of Directors.

### Section 2. Duties of the Officers:

#### 1. President:

The President shall preside at all meetings of the Board of Directors and the Executive Committee. He/she shall be the official representative and spokesperson of the Marco Island Historical Society, Inc. in instances and situations when such representation is appropriate. He/she shall, with the counsel and advice of the President-Elect and the Executive Committee determine the need for additional steering committees and task forces subject to the approval of the Board of Directors. He/she shall, with the counsel and advice of the President-Elect and the Executive Committee select all committee and task force Chairs and assist in the selection of all personnel in such groups. In the absence of the Executive Officer being available, the President shall be responsible for the approval of agreements, contracts, and other instruments affecting the operation of the Marco Island Historical Society, Inc. or any of its properties. He/she may sign formal documents of the Marco Island Historical Society, Inc.

#### 2. President-Elect:

He/she shall serve as Vice President of the Marco Island Historical Society, Inc., performing the duties of the President in the absence of that duly elected officer and shall act as the spokesperson in the President's absence. He/she shall with the assistance of the President and other officers prepare for the Presidency. He/she will also serve as the chair of the nominating committee.

#### 3. Treasurer/Finance Chair:

He/she will serve as a permanent member of the Finance Committee. On an as needed basis, makes recommendations for Board approval as to which financial institution(s) shall maintain the Marco Island Historical Society, Inc.'s operating, savings, and restricted accounts. The Treasurer shall be responsible for the financial report at the monthly Board of Directors Meeting or any Special Meeting of the Board of Directors or Executive Committee if requested. The Treasurer will present an annual review of the Marco Island Historical Society, Inc.'s financial records. The Treasurer may advise regarding tax regulations, the Society's non-profit status, investment of funds, and may oversee the filing of the annual reports and corporate tax returns.

4. Secretary:

The Secretary is responsible for taking and transcribing the Board meeting minutes, presenting a draft report to the President and Executive Officer for feedback, and distributing all reports and documents to the Board of Directors prior to the scheduled meetings.

5. Serving in multiple roles simultaneously:

An individual can serve in more than one office at the same time. For instance, the President-Elect could also fill one of the other positions.

Section 3. Term and Starting Date:

The term of office of all elected Officers of the Marco Island Historical Society, Inc., shall be for a minimum of two (2) years or until their successors have been duly qualified, elected, and installed. Successors will be installed but take office January 1 of the year following their election.

## **ARTICLE IX. MEMBERSHIP**

Section 1. Membership Qualifications:

All persons of good character interested in the history, heritage, and well-being of, and who also desire to preserve and promote the objectives of the corporation herein known as the Marco Island Historical Society, Inc., will be eligible for membership.

Section 2. Application:

All applications for membership shall be in writing to the Marco Island Historical Society, Inc., said application constituting an agreement on the part of the applicant, if approved, to adhere to all By-laws, policies, and procedures adopted by the Board of Directors for the Marco Island Historical Society, Inc.

Section 3. Admission:

The admission of an applicant to membership may be subject to approval by the Board of Directors, pursuant to policies for admission set forth from time to time by the Board of Directors.

Section 4. Termination:

If any member fails to pay dues within ninety (90) days from the date payable, the membership will be subject to termination.

Section 5. Resignation:

All resignations will be tendered to the Marco Island Historical Society, Inc.



Section 6. Expulsion:

Any member may be expelled for cause by resolution passed by two-thirds (2/3) of the Board of Directors present at any duly called meeting for this purpose. Such member will be notified of the intention of the Board to consider his/her expulsion and will not be represented by professional counsel. The passage of such resolution will, without other action on the part of the Board of Directors, terminate such membership.

Section 7. Membership Classes:

The Marco Island Historical Society, Inc. by a majority vote of the Board of Directors:

1. May grant limited complimentary memberships for not more than a one-year period.
2. May establish classes, requirements, regulations, and dues for members.
3. May establish categories of active members, student members, corporate members, and other categories.
4. May make honorary members who shall receive the benefit of regular members except for payment of dues, privilege of voting and holding office.
5. May establish criteria and shall award lifetime memberships.

**ARTICLE X. FINANCE**

Section 1. Budget:

The Budget for the next fiscal year shall be prepared by the Executive Officer and reviewed by the Treasurer and the Finance Committee, if one is empowered, and the Executive Committee during the last quarter of the current fiscal year. The proposed Budget shall be presented to the Board of Directors for its final approval to be compiled and approved no less than sixty (60) days prior to the end of the fiscal year.

Section 2. General Fund:

Financial receipts from membership sources and other earned and unearned sources of revenue will become part of the General Fund of the Corporation. The expense for the maintenance and conduct of the organization shall be paid from the General Fund.

Section 3. Restricted Funds:

Certain funds may be provided by donations, local agencies, and/or government bodies and carry assignments in support of one or more phases of the Marco Island Historical Society, Inc.'s activities. Such funds will be segregated from the General Funds. These may include: Gift Shop receipts and revenues, Rose History Auditorium receipts and revenues, Special Events receipts and revenues, grants, Traveling or Special Exhibits receipts and revenues, Endowment funds, etc.

Section 4.      Membership Investment:

A dues schedule for individuals and for business firms shall be determined by the Board of Directors. Payment shall be made on a basis as determined by the Board of Directors.

Section 5.      Fiscal Year:

The fiscal year of the Marco Island Historical Society, Inc. will be determined by the Board of Directors. If not otherwise established it shall be on a calendar year basis.

## **ARTICLE XI. COMMITTEES**

Section 1.      Committee Formation:

The Board of Directors will authorize the formation of such committees and/or task forces as it may deem necessary and will define their duties. The President with the approval of the Board of Directors will make all such appointments including the Chair of such groups.

Section 2.      Standing Committees:

The Marco Island Historical Society, Inc. shall, in addition to ad hoc or special committees created as set out in Section 1 above, have the following Standing Committees with their Chairs appointed by the President and approved by the Board of Directors:

1. Campaign/Development/Membership
2. Executive/Nominating
3. Finance – to be chaired by the Treasurer
4. Governance
5. Endowment

Section 3.      Historical Society Foundation:

If the Society should determine that a Foundation is needed, it shall be established as a separate entity and the Board of Directors shall create and set up said Foundation. Said Foundation Board shall be either past presidents of MIHS or as determined by the Board of Directors.

## ARTICLE XII. MEMBERSHIP MEETINGS

### Section 1.     Annual Meeting:

An annual business meeting of the membership will be held during the fourth quarter of each year.

### Section 2.     Special Meetings:

Special Meetings of the membership may be called at any time by the President or, in the event of the absence of the President, then by order of the President-Elect. Notice of special meetings of the membership must be given by mailing or emailing such notice to the members in good standing whose names appear upon such rolls at least five (5) business days prior to the date of meetings.

## ARTICLE XIII. PUBLIC POLICY POSITIONS

### Section 1.     Board Action:

The Board of Directors of the Marco Island Historical Society, Inc. may at its discretion decide to take a position on a matter of public policy by a vote of two thirds (2/3) of the Directors on such position. Upon the taking of such a position, the Marco Island Historical Society, Inc. shall notify its membership by an appropriate means of the position it has taken.

### Section 2.     Membership:

Should the Board of Directors desire, at any time, to determine from the membership its opinion on a position of the Marco Island Historical Society, Inc. on any matter, a referendum vote by mail or email may be taken:

- a. Upon the direction of the Board of Directors, or
- b. Upon petition signed by not less than ten percent (10%) of the members of the Marco Island Historical Society, Inc. in good standing. The Board of Directors will determine the manner in which the referendum will be conducted.

### Section 3.     Contents:

All propositions submitted to the membership by referendum will be stated objectively. Those favoring the proposition will vote "YES" and those opposing will vote "NO." The Secretary will cause to be mailed or emailed to each member the following: a concise, impartial statement of the proposition approved by the Board of Directors.

### Section 4.     Validity:

It shall be necessary that at least one fourth (1/4) of the membership of the Marco Island Historical Society, Inc. in good standing will vote within fifteen (15) days or such time as may be fixed by the Board of Directors for the referendum to be binding.

### Section 5.     Authority:

A majority of those voting will bind the Marco Island Historical Society, Inc.

## ARTICLE XIV. DEBTS AND OBLIGATIONS

### Section 1.      Debt and Obligation Responsibility:

No Officer, Employee, or Agent of this Corporation; will create or cause to be created, any obligation for the payment of money or other things of value, nor will any money be appropriated or paid out of the General Fund, nor any contract or other account whatsoever agreed to by an Officer, Employee, or Agent of this Corporation; the result of which creates a debt of obligation or attempts to create an obligation binding upon this Corporation, unless the same is authorized by a provision therefore, in the Budget duly by the Corporation, or unless the same is authorized, directed, or ratified by the Board of Directors of this Corporation in a regular meeting or a special meeting called for that purpose.

### Section 2.      Payment of Bills:

Bills that are paid by check will be signed by any one (1) of the following: The President, President-Elect, Treasurer, Secretary, Executive Officer or designee of the President authorized by his/her special request, which designee must be a member of the Board of Directors. The Board of Directors may authorize the use of debit cards pursuant to established policies and procedures adopted by the board.

## ARTICLE XV. PARLIAMENTARY RULES

### Section 1.      Procedure:

The proceedings of all meetings of the Board of Directors, the Executive Committee, and all Committees will be governed by and conducted according to the latest edition or Manual of Robert's Parliamentary Rules using simplified Rules if available.

### Section 2.      Governance:

The Secretary shall act as the Parliamentarian of the Society.

## ARTICLE XVI. DISSOLUTION

### Section 1.      Uses of Funds:

The Marco Island Historical Society, Inc. shall use its funds only to accomplish the objectives and purposes specified in these By-laws, and no part of said funds shall inure or be distributed to the members of the Marco Island Historical Society, Inc. Upon the dissolution of the Marco Island Historical Society, Inc., its assets shall only be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code.

## ARTICLE XVII. EMERGENCY BY-LAWS

### Section 1. Emergency By-Laws:

The Emergency By-laws shall operate during any emergency in the conduct of the business of the Marco Island Historical Society, Inc. resulting from any catastrophic event (e.g. Hurricane), notwithstanding any different provision in the preceding articles of the By-laws or in the Florida Nonprofit Corporation Act. An emergency is considered to exist if a quorum of the Marco Island Historical Society, Inc., Directors cannot readily be assembled due to the catastrophic event. The Emergency By-laws shall remain in effect during such emergency and upon its termination they shall cease to operate.

### Section 2. During any Such Emergency

A meeting of the Board of Directors may be called by any officer or Director of the Marco Island Historical Society, Inc. The person calling the meeting shall give notice of the time and place of the meeting to such Directors as it may be feasible to reach by any available means of communication, including but not limited to publication or radio. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting. At any such meeting of the Board, a quorum shall consist of at least one (1) officer and three (3) other Board members.

### Section 3. Lines of Succession

The Board, either before or during any such emergency, may provide, and from time to time modify, lines of succession if during such an emergency any or all officers or agents of the Association shall for any reason be rendered incapable of discharging their duties. Either before or during any such emergency, the Board may change the principal place of business, effective in the emergency, or designate several alternative such locations or regional offices, or authorize the officers to do so.

### Section 4. Liability

No officer, Director, or employee acting in accordance with these Emergency By-laws shall be liable except for willful misconduct.

### Section 5. Amendment

The Emergency By-laws shall be subject to repeal or change by further action of the Board or by action of the members, but no such repeal or change shall modify the provisions of the preceding Sections with regard to action taken prior to the time of such repeal or change. Any amendment of these Emergency By-laws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

## ARTICLE XVIII. AMENDMENTS TO BY-LAWS

### Section 1.    *Amendments to By-laws:*

These By-laws may be amended either by a majority vote of the members or by a vote of two thirds (2/3) of the members of the Board of Directors after an amendment, or amendments, have been duly proposed either by the membership or by the Board of Directors, the method of amendment to be at the sole discretion of the Board of Directors. In the event the Board chooses to submit amendments to the membership, a notice in writing will be furnished to each of the members no less and thirty (30) days prior to a day certain for the adoption of said amendment or amendments. During the thirty (30) day period, the membership will be notified that they may vote for or against the proposed amendment.

### Section 2.    *Authority for Finance Committee to act on behalf of MIHS:*

The Board of Directors grants authority to the Finance Committee to approve the transfer of MIHS funds not to exceed \$150,000.00 from one existing MIHS account into another existing MIHS account with the objective of improving the return on investment and/or avoiding a potential loss by taking said action sooner than the full Board would be meeting. The intended purpose of the funds may not be changed by this action. As an example, funds from the Operations & Reserve Account may not be moved into an Endowment Account or vice versa. Only the Board of Directors can approve a change which involves the intended purpose of the funds. The Finance Committee will communicate any action taken within this amendment to the Board in writing at the next available Board meeting. A majority of Finance Committee members must attend the meeting at which the decision is made and voted on, and at least three MIHS officers must be present when this vote is taken.

### Section 3.    *Responsibility for Finance Committee to report on MIHS vendors:*

The Finance Committee will review annually the performance of the auditor, insurance company and investment/brokerage firms and report to the Board of Directors the status and any recommendation for improvement or changes. The Board of Directors will then make any decisions on appropriate actions.

### Section 4.    *Responsibility for Governance Committee to report on BY-LAWS:*

The Governance Committee will review at least annually the MIHS BY-LAWS and report to the Board of Directors the status and any recommendation for improvement or changes. The Board of Directors will then make any decisions on appropriate actions.

## Section 5. The Role & Responsibility of the Board and Committees

The Board of Directors, including the Executive Officer, have very defined roles and responsibilities within the organization. Essentially, it is the role of the Board of Directors to hire the Executive Officer and assess the overall direction and strategy of the business. The Executive Officer is responsible for hiring all the other employees and overseeing the day-to-day operation of the business. Problems may arise when these guidelines are not followed.

Just as for any corporation, the Board of Directors of a nonprofit has three primary legal duties known as the “duty of care,” “duty of loyalty,” and “duty of obedience.”

1. **Duty of Care:** Take care of the nonprofit by ensuring prudent use of all assets, including facility, people, and good will.
2. **Duty of Loyalty:** Ensure that the nonprofit's activities and transactions are, first and foremost, advancing its mission; recognize and disclose conflicts of interest; make decisions that are in the best interest of the nonprofit corporation; *not in the best interest of the individual board member* (or any other individual or for-profit entity).
3. **Duty of Obedience:** Ensure that the nonprofit obeys applicable laws and regulations; follows its own bylaws; and that the nonprofit adheres to its stated corporate purposes/mission.

## Section 6. Job Descriptions (see Addendum 1)

However, a Board of Directors does not exist solely to fulfill legal duties and serve as a fiduciary of the organization's assets. Board members also play very significant roles providing guidance to nonprofits by contributing to the organization's culture, strategic focus, effectiveness, and financial sustainability, as well as serving as ambassadors and advocates. Beyond fulfilling legal duties, Board members can be important resources for the organization in multiple ways.