

SOUTH ARBOR ACADEMY PARENT TEACHER ORGANIZATION

South Arbor Parent Teacher Organization Bylaws
Approved and Adopted February 21 2019

Article I: Name

Section 1: The name of this organization shall be the South Arbor Academy Parent Teacher Organization (PTO) of Ypsilanti, MI

Article II: Mission Statement

Section 1: The South Arbor Academy PTO is an organization made up of parents, teachers and administrators dedicated to support the South Arbor students, staff, and families by enhancing the academic, moral, physical, and social environment of our school through volunteering and enrichment efforts.

Section 2: The PTO will act with the following objectives:

- A. To provide a communication network and support system representing both parents and teachers to enable both groups to work together for the betterment of the students, faculty and staff of South Arbor Academy.
- B. To organize, sponsor and oversee fundraising activities that will benefit South Arbor Academy, its students, faculty and staff.
- C. To ensure PTO funds are being distributed properly, fairly, and balanced between academic and non-academic projects.

Article III: Membership

Section 1: Any parent, legal guardian, or other adult standing in “loco parentis” of a student attending South Arbor Academy and any teacher or other staff member employed by South Arbor Academy who subscribe to the objectives and basic policies of the South Arbor Academy PTO and its bylaws may become a member of the South Arbor Academy PTO and shall have voting rights.

Section 2: Membership in the PTO shall be available without regard to race, color, age, sex, creed, national origin, family status, disability status, sexual orientation or membership in any labor organization.

Section 3: Any Principal or Superintendent shall be asked to serve in an advisory capacity to the organization in a non-voting position. If a Principal or Superintendent has a child enrolled in South Arbor Academy, status as “parent” supercedes their status as “Principal” or “Superintendent” and will allow them the capacity to vote.

Section 4: The PTO shall conduct an annual enrollment of members at the beginning of each school year following the May elections, but persons may be admitted to membership at any time.

Article IV: Executive Board Members

Section 1: Executive Board Members of the PTO

- A. Shall in turn be a member of the PTO

- B. The PTO Board shall consist of a President, Vice-President, Secretary, Treasurer, Faculty Representative(s), and Parent Representative

Section 2: Executive Board Purpose

The purpose of the Executive Board is to create the agenda for the General Business meeting, review policies, projects, and appropriations. They also serve as the bylaws review committee.

Section 3: Executive Board Duties Shall Be

- A. To transact necessary business in the intervals between General Membership meetings, and carry out other business that may need to be handled by the organization.
- B. To create standing committees and monitor their plans. The Executive Board may create committees, as deemed necessary, to promote the objectives and carry on the work of the PTO.
- C. To present a report at each General Membership meeting of any Executive Board proceedings, which have occurred since the previous General Membership meeting.
- D. To recommend an annual budget and calendar of activities for the following school year in accordance with the Principal and NHA's guidelines.
- E. To recommend sub-allocation of funds with the following parameters: all disbursements included in the annual approved budget will not need further approval from the PTO membership. Any disbursement dealing with activity not previously approved by the PTO membership must be submitted to the PTO Executive Board through a Funding Request. Any request less than \$100 can be approved by majority vote of the Executive Board at any time interval between General Membership meetings. Any request over \$100 will be added to the agenda of the next regularly scheduled General Membership meeting, and will be voted on by those members in attendance at that meeting.
- F. Responsible for all of the bookkeeping of the PTO and shall keep a full and accurate account of receipts and expenditures. The Treasurer shall present a financial statement at every PTO meeting and at other times when requested by the PTO Board, and shall make a full report at the Annual End-Of-Year Meeting
- G. Contracts and Purchases. No PTO Board member shall secure any contract in the name of the PTO without the approval to do so by a majority vote of the PTO Board members with 2/3rds being present at the time of voting. Any approved purchases must be within budgetary restrictions.
- H. Both outgoing and incoming officers shall be expected to attend and end of the year executive board meeting to be held between the last meeting and July 15th.
- I. All officers shall deliver to their successors all official material related to that office at the close of their service of office.
- J. Officers shall assume their official duties on July 1 in the year of their elected term. The President, Vice President, Secretary, and Treasurer shall serve for a term of TWO (2) years and until the election and qualification of their successors. The Parent Representative shall serve for a term of ONE (1) year and until the election and qualification of their successors

Article V: Executive Board Officer Elections and Removal

Section 1: Officer Removal

- A. PTO Executive Board members can be removed from office with or without cause by majority vote at a regular PTO meeting where the affected officer has been given prior notice of at least 48 hours.
- B. Each elected PTO Board member shall be expected to attend the monthly PTO meetings and to act in the best interest of the PTO. Any elected official who misses THREE (3) CONSECUTIVE PTO meetings may be removed from office by majority vote of the present Executive Board officers with 2/3rds being present at the time of voting.

Section 2: Executive Board Nominations

All PTO Executive Board Members (with the exception of the Faculty Representative(s) who shall be assigned by the Principal) shall be elected by ballot at the May General Membership meeting with the majority vote deciding the outcome. In order to maintain consistency, terms of Board Members shall alternate. The President and Treasurer shall share the same term years; and, the Vice-President, Secretary, and Parent Representative shall share the same term years.

- A. Nominations will be announced via PTO emails, Parent Newsletters, PTO website, or other means
- B. There is no limit to the number of candidates for each office that will be placed on the official ballot
- C. A list of candidates will be compiled for each office
- D. Nominees will be contacted to verify the willingness to run for the specified office.
- E. The nominees for each position will be published in the PTO email before election.
- F. At the General Membership meeting in May the candidates will be presented and voted on. Candidates may be nominated at the May meeting; however, the nominee must be present at the meeting to accept the nomination.
- G. Only one vote is allowed for each member, for each office.
- H. PTO Board Members shall assume their official duties on July 1 following the PTO meeting in May.

Section 3: Executive Board Vacancy

- A. If the President becomes unable to complete their duties, the Vice-President will be immediately called upon to assume the role and duties of the President.
- B. If any other elected office becomes vacant, the board will propose a candidate to replace the outgoing board member. The board will vote on this candidate, with a majority vote needed to place the nominated officer in the vacant office. This elected official will remain in office until the next general PTO election.

Article VI: Duties of Officers

No PTO Board Member shall be personally compensated by the PTO or anyone else for his or her service

Section 1: President

The President is elected by the PTO members to direct the affairs of the PTO in cooperation with the other officers of the PTO Board.

- A. The President shall schedule monthly PTO meetings, create the monthly PTO agenda in conjunction with the Secretary, facilitate monthly PTO meetings and act on behalf of the PTO in urgent matters arising between meetings.
- B. The President will oversee and secure the setup of all PTO Meetings (meeting room, tables, chairs, etc.)
- C. The President shall preside over all meetings of the PTO, serve as the primary contact for the Principal and represent the PTO at meetings outside of the organization.
- D. The President shall assume the duty of overseeing all fundraising and coordinate the work of all PTO Executive Board Members and General Membership Committees so that the purpose of the organization is served.
- E. The President will have check writing and withdrawal authority for the PTO bank account, along with a debit card assigned in his or her name.
 - a. The President shall work in conjunction with the Vice President to make sure funds are disbursed in an accurate and timely manner.
 - b. Ensure checks are written only for valid requests for reimbursement, including original receipts. No checks may be written unless or until the form requesting reimbursement is completed.
 - c. Write/distribute checks in a timely manner, ideally no more than 7 days after request is made
 - d. Accurately record all disbursements and receipts in the check register and/or Goggle Drive.

Section 2: Vice President

The Vice-President should act as an aide to the President; make a thorough study of the President's duties and responsibilities, and be prepared to perform the duties of the President in the absence or inability of that officer to serve.

- A. The Vice President should assist the President in all of the endeavors regarding the PTO and its Board, and be very familiar with the work of the organization.
- B. The Vice-President will oversee, coordinate and schedule child-care for all PTO meetings (if child-care is being offered).
- C. The Vice President will have check writing and withdrawal authority for the PTO bank account, along with a debit card assigned in his or her name.
 - a. The Vice President shall work in conjunction with the Vice President to make sure funds are disbursed in an accurate and timely manner.
 - b. Ensure checks are written only for valid requests for reimbursement, including original receipts. No checks may be written unless or until the form requesting reimbursement is completed.
 - c. Write/distribute checks in a timely manner, ideally no more than 7 days after request is made
 - d. Accurately record all disbursements and receipts in the check register and/or Goggle Drive.

Section 3: Secretary

The Secretary is responsible for keeping accurate records of all of the proceedings of the PTO, take and record minutes and provide copies of the minutes to each Executive Board Member within one (1) week following each PTO General Membership meeting. The Secretary is also expected to prepare the agenda of all PTO meetings(Executive Board and General Membership) in conjunction with the President, handle all correspondence (including overseeing the website and newsletters), send notices of meetings to the officers and members of the PTO, keep a current copy of the bylaws, rules, procedures, current membership list and any other necessary documents, and bring all aforementioned documents to every PTO Executive Board and General Membership PTO meeting. Before April 15th, the Secretary shall be responsible to notify, by email or by other means available, parents and staff indicating that April 20th is the deadline to request funds for the upcoming school year's budget.

Section 4: Treasurer

The treasurer is responsible for maintaining a bank account/checking account in good order; keeping an accurate record of receipts and expenditures; and presenting a statement of account at every meeting of the PTO and at other times when requested. The Treasurers' accounts may be examined during the transitional period by an impartial auditor, who when satisfied that the Treasurer's annual report is correct, signs a statement of the fact at the end of the report. The Treasurer will also be responsible for preparing a draft budget that will be presented at the May General Membership meeting and voted on with a simple majority vote. The Treasure cannot be an authorized signer on the checking account; however, she/he is still responsible for ensuring the check register is accurate and current. Specific responsibilities include:

- A. Keep a set of financial records that is both accurate and current. This should include a monthly year to-date income statement reflecting a budget comparison, some kind of ledger for each line item of the budget and should show the breakdown of income and disbursements within each budget item.
- B. Have some sort of filing system for both the receipt and check request forms.
- C. The PTO's financial records should be kept on a system outside of the school's accounting system/computers or paper file for a previous period of seven years.
- D. Reconcile the monthly bank statement with the check register that is maintained by the primary signer of the checking account. If there is a major discrepancy in the accounting, the Executive Board must be notified.
- E. A financial statement reflecting income expenses to date along with a budget comparison should be presented to the Executive Board monthly.

- F. Facilitate preliminary budget preparation for the following school year with the remaining members of the Executive Board.
- G. Ensure that all necessary tax forms associated with the PTO's 501 (c) (3) status are prepared and filed by November 1 for the previous fiscal year.

Section 5: Faculty Representative(s)

The Faculty Representative(s) must be fair and impartial members of the South Arbor Academy staff who subscribe to the objectives and basic policies of the PTO and its bylaws and be present at all PTO meetings to represent the voice of the South Arbor staff. The Faculty Representative(s) may need to call and oversee meetings among South Arbor Academy staff members within the PTO organization to better serve the PTO organization as a whole.

Section 6: Parent Representative

The Parent Representative must be a fair and impartial member of the PTO, and is not a paid faculty member of South Arbor Academy who subscribes to the objectives and basic policies of the PTO and its bylaws. The Parent Representative may need to call and oversee meetings among PTO members to better serve the PTO organization as a whole, and act as the publicity coordinator by maintaining the on-going process of increasing awareness of the PTO and membership growth by attending various school events throughout the year.

Section 7: Officer Attendance

All Executive Board officers are expected to attend all Executive Board meeting and General Business meetings. Executive board members are also encouraged to attend all events.

Article VII: PTO Meetings of the Members

Section 1: Meeting Dates:

Regular meetings of the General PTO Membership shall be determined by the PTO Executive Board, with a minimum of six meetings per year. Notice of meetings will be posted at the beginning of the school year.

Section 2: Meeting Agenda

The agenda for a PTO meeting will be publicized at least 48 hours in advance of the meeting on the PTO website.

Section 3: Quorum

Ten members (including the Executive Board) shall constitute a quorum for the transaction of business at any General PTO meeting. If fewer than ten members are presents (including the Executive Board), any voting requests will be tabled to the next scheduled General PTO meeting.

Section 4: Decision by Vote

- A. All matters (unless noted otherwise in these bylaws) to be voted upon at General PTO meetings shall be passed by a majority of those current PTO members present.
- B. In the event of a tie, the vote will be considered not passed

Section 5: Special Meetings

Any PTO Executive Board member may call special meetings, with at least forty-eight hours' notice given.

Section 6: Meeting Cancellations

The President may cancel regular General Membership meetings due to unsafe weather conditions, school emergencies, or failure to attain a quorum of more than 10 members (including the Executive Board). In the event of cancellation, the President shall notify the Principal, the Executive Board, and (to the extent possible through PTO emails) the General membership

Section 7: Rescheduling a Meeting

Cancelled meetings may or may not be rescheduled, as long as the number of meetings held annually shall be at least 6. The President may reschedule a cancelled meeting. The General Membership shall receive timely written notice of the rescheduled meeting date. The Executive Board may change a scheduled General Membership meeting date or may schedule special meetings of the General Membership. In either case, a minimum advance notice of 48 hours shall be provided.

Article VII – Finance and Budget

- A. South Arbor Academy PTO funds shall be used for programs, events, and items that directly benefit the students and teachers of South Arbor Academy.
- B. Funds from the PTO will not be used for any required school-related event or for those items covered by the South Arbor Academy Executive School Board or National Heritage Academies.
- C. The annual PTO budget will not provide funding requests over \$1000 for any extracurricular activity.
 - a. Extracurricular is defined as not falling within the scope of a regular curriculum South Arbor School Day between the hours of 8:00 am and 3:15 pm, usually but not limited to, organized student activities that are connected with school and carry no academic credit.
 - b. Extracurricular Organizations may earn additional funds with Volunteer Bucks as referenced in Article V11, Section 9 D
- D. The South Arbor PTO shall operate on a cash basis system. The cash basis system requires that income and expenses be recorded in the fiscal year received or spent.
- E. It is the recommend to have the PTO accounts be examined during the annual transitional period by an impartial auditor (someone other than the President or Vice President).
- F. The fiscal year shall be July 1 through June 30 to coordinate with the school year.
 - a. Therefore, all requested reimbursements must be received by May 31st, allowing the PTO to have complete financial information no later than June 30th
 - b. Exceptions may be made for any events that may take place after May 31st and before June 30th.
- G. The Members shall also vote on the appropriation of funds per individual funding request, as recommended by the Executive Board.

Section 1: Funds

Revenues from all sources are for the purpose of fulfilling the Mission Statement of the South Arbor PTO. They shall be held in an account bearing the name of South Arbor PTO. The PTO bank account will have the President and Vice President listed as authorized signers on the account. All disbursements must have one authorized signature on each check. All PTO Board Officers are expected to monitor bank account activity over the course of the year. If the bank allows online access to bank account information separate from signature authority, then all PTO Board Officers will have such access.

Section 2: Annual Budget

A tentative annual budget for the upcoming school year will be drafted by the PTO Executive Board Officers. Any requests for funds to be included in the annual budget must be submitted no later than April 20th of that year. The tentative budget will be drafted for the Annual End of Year meeting and made public for at least 48 hours prior to the that meeting. The tentative budget will be voted on and approved at the Annual End of Year meeting by a majority vote of the members present. If a budget is not approved, a motion may be made to amend the tentative budget and motioned to a vote by the PTO membership in attendance. If a budget is not approved the Executive Board officers will amend the tentative budget and resubmit it for approval. A special meeting of the PTO General Membership will be held to vote on the amended tentative budget. This will continue until a budget is approved for the following year.

Section 3. Income

All funds raised by the PTO must be documented and submitted to the PTO President or Vice President within ten (10) days of receipt. All funds received by the President or Vice President should be deposited into the PTO bank account in a timely manner, preferably no more than seven (7) days of receipt by the President or Vice President. Separate deposit receipts should be maintained for funds received from unique fundraising events, should those occur.

- A. Deposits of receipts can only be made by those approved by the Executive Board Members. However, it is preferred that the President or Vice President make deposits.
- B. Before deposits are made, a PTO Cash Receipt form must be filled out and signed by two people. It is preferred that an Executive Board member be one of the two people counting if they are present, especially if it is difficult to keep track of inventory, (such as, but not limited to, concessions for events).
- C. All monies must be counted by two people. Two Summary of Funds Received forms (with each check amount listed) must be attached to the monies received.
- D. Receipt form and copies must have the same total. One copy stays with the form and the second is used with the deposit slip. Once the deposit is made; the deposit slip from the bank is attached to the Summary of Funds Received form.

Section 4-Disbursements of Funds

All payments and reimbursements being requested must be allocated within the PTO's current fiscal year operating budget or voter approved non-budgeted requests. Reimbursements for expenses associated with approved spending shall be made only after detailed receipts for the expenditures have been audited, documented, and approved by the President or Vice President. Reimbursement requests should be submitted to the PTO within thirty (30) days of the incurred expense or by the three (3) weeks prior to the end of the fiscal year, whichever comes first, and must be accompanied by a receipt.

- A. All individuals requesting reimbursement for funds must first fill out a "PTO Payment or Reimbursement Request Form" and place it in the PTO mailbox.
- B. All requests must include original receipts attached to the PTO Reimbursement form.
- C. Once the PTO Reimbursement form is filled out, the President or Vice President will check with financial records to verify that the request is valid, and that funds are still available within that budget line item. If no funds are available for a particular budget line item, prior approval must be received from the Executive Board and voted on by the General Membership.
- D. If a retailer honors Tax Exemption status, the use of the tax id code should be used.
- E. Any receipts turned in after June 30th will not be honored.

Section 5: Non-Budgeted Requests

Monetary requests for non-budgeted items may be submitted to the PTO Executive Board by any PTO member.

- A. The Funding Request must be submitted on or before 2pm on the day the Executive Board Meeting is to take place. (Dates will be determined and announced on or before the first day of school)
- B. The Funding Request will be added to the agenda of the next scheduled PTO General Membership Meeting
- C. A representative is strongly encouraged to present at the General Membership Meeting to explain the request and answer questions.
- D. The PTO Membership will vote by quorum and the funding request must be approved by majority vote of members present.
- E. All funding requests need to be submitted for reimbursement on or before May 31st of each school year, otherwise the approval will have expired.
- F. If a funding request is not approved, a motion may be made to amend the requested amount, if the motion is 2nd, the new amount may be voted on

Section 6: Reporting of Funds

An updated financial report shall be posted to the PTO web site at least 48 hours before each PTO meeting, and shall be made available in printed form at each PTO meeting. Each financial report shall include the PTO bank account balance according to the most recent bank account statement. Each financial report shall also include a summary of all PTO transactions (deposits, checks, withdrawals, etc.) posted during the most recent bank account statement.

Section 7: Checks and Debit Cards

- A. All checks must be signed by the President or Vice President. Any lost or stolen checks that are replaced/duplicated must have a signed affidavit form on file.
- B. The PTO Debit Card is to be used exclusively by the PTO President and Vice President for the express purpose of making on-line or in-store purchases on behalf of the PTO where a credit card is required. The President and Vice President are to maintain the card and password at all times.
- C. The President and Vice President must complete a record of receipt of the checks that they receive. The receipt will include the number of check books and check numbers. This form is to be held by the Treasurer.

Section 8: Bank Roll Over

The PTO is authorized to carry over funds for the following fiscal year as recommended by the PTO Board. At the end of each school year, in June, the PTO shall leave a minimum balance of \$10,000 to insure start-up costs for the following year.

Section 9: Fundraisers:

Most fundraisers are intended for the general benefit of South Arbor Academy. Some fundraisers may be specified (or "targeted") fundraisers which will handle all monies through the PTO, but will maintain a separate banking line-item in the Treasurer's financial reports. Income from targeted fundraisers will only be spent specifically on those events for which the funds were raised. If enough money is not raised to meet the goal of the targeted fundraiser, there can be a funding request for the additional funds from the general PTO funds. This funding request will come for a vote at a General Membership meeting. Any funds from a specified fundraiser that are unused by the end of the current school year can be added to the general PTO account. In the subsequent school year, the PTO may or may not choose to use the funds for the originally intended purpose.

The current target fundraisers are:

- A. Musical Events: Targeted fundraisers that are held for the purpose of funding annual musical events, including but not limited to, registration costs, equipment costs, transportation costs, etc. Funds for this line may be raised by such things as, but not limited to, donations, and the annual year-end concert, etc. This separate banking line item will be maintained by the music and/or band teacher and the PTO Treasurer. Funds raised for this purpose roll over each school year under a musical events targeted banking line and will not roll over into the general PTO funds. The PTO Executive Board consent is not needed for musical events held by the Music and/or band teacher.
- B. Social Events: This budgeted line item is for the purpose of covering startup expenses of social events that are held to boost a sense of community for the students, teachers and ~~their~~ families of South Arbor. Any funds raised by social events will remain within this budgeted line item. However, should the year-end balance of this target line be in excess of \$900, any funds above \$900 shall be transferred to the PTO General Funds.
- C. A South Arbor organization may request to run a targeted fundraiser through the PTO. The organization will be solely responsible for organizing, communicating, and recruiting volunteers for the targeted fundraising event.
 - a No targeted fundraiser shall be undertaken without the consent of the Executive Board.

- D. An Event Request Form must be completed for all Events/Fund Raisers to be sponsored by the PTO. The Request must be completed, signed by the Event Chair, and provided to the PTO Secretary or placed in the PTO mailbox no later than 2 pm on the day of the next scheduled Executive Board PTO meeting.
- E. Volunteer Bucks can be made available to a group or organization that represents South Arbor by hosting a hospitality meal for South Arbor Teachers and staff during Parent Teacher Conferences. The South Arbor group or organization must be run by adults, not students. The group or organization would be responsible for organizing, communicating, and recruiting volunteers. The group or organization could earn up to \$500 for fall (usually November) conference dinners and up to \$500 for spring (usually March) conference dinners. There will be four meals (two for fall conferences and two for spring conferences), therefore each evening will be warrant \$250 in Volunteer Bucks.
 - a An application will be filled out by the group or organization and submitted to the PTO board by the first Executive PTO Board meeting of the school calendar year.
 - b Should there be multiple requests to earn Volunteer Bucks for the same dates, a decision will be made by a lottery held at the first PTO General Membership meeting of the calendar year.
 - c The meal provided must stay within the hospitality budget guidelines.
 - d Volunteer Bucks earned will be redeemable up to one year of the date they were earned, and monies requested will follow Finance and Budget Guidelines as stated in Article VII of the bylaws.

Article VIII: Amendments to the Bylaws

The Executive Board, on an annual basis, will review these bylaws in order to meet changing conditions of South Arbor Academy and its community. Amendments to the bylaws may occur throughout the year, as needed. Amendments must be presented to the Executive Board for discussion and consideration. Proposed amendments will then be discussed and voted on at the next PTO General Membership meeting. Approval of amendments requires a majority vote at any regular or special PTO meeting.

Article IX: Dissolution of PTO

Upon dissolution of the PTO, any remaining funds should be used to pay any outstanding bills and with the membership’s approval, spent for the benefit of the South Arbor Charter Academy student body.

Article X: Parliamentary Authority

Roberts Rules of Order: The latest revision or modified version, will be the parliamentary authority of the PTO, and shall govern this Organization in all cases in which they are applicable and in which they are not inconsistent with these by-laws. A copy of these Rules shall be held by the Secretary and be made available at each meeting.

Article XI: South Arbor Academy PTO Conflict of Interest Policy

Section 1: Purpose: *The purpose of the conflict of interest policy is to protect SOUTH ARBOR ACADEMY PTO’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 SOUTH ARBOR ACADEMY PTO or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.*

Section 2: Definitions

- A. Interested Person: Any director, principal officer, or member of a team with Executive Board delegated powers, whom 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:
 - a. An ownership or investment interest in any entity with which the SOUTH ARBOR
i. ACADEMY PTO has a transaction or arrangement,
 - b. A compensation arrangement with the SOUTH ARBOR ACADEMY PTO or with any entity or individual with which the SOUTH ARBOR ACADEMY PTO has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the SOUTH ARBOR ACADEMY PTO is negotiating a transaction or arrangement.
- C. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- D. A financial interest is not necessarily a conflict of interest. As described below, a person who has a financial interest may have a conflict of interest only if the appropriate PTO Board or team decides that a conflict of interest exists.

Section 3: 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 teams with PTO 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, s/he shall leave the Executive Board or team meeting while the determination of a conflict of interest is discussed and voted upon. The remaining executive board or team members shall decide if a conflict of interest exists.
- C. Procedures for Addressing the Conflict of Interest
 - a. An interested person may make a presentation at the Executive Board or meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the Executive Board or team shall, if appropriate, appoint a disinterested person or team to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the PTO Board or team shall determine whether the SOUTH ARBOR ACADEMY PTO 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 PTO Board or team shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the SOUTH ARBOR ACADEMY PTO'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
 - a. If the Executive Board or team has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the PTO Board or team 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 Proceedings

- A. The minutes of the Executive Board and all teams 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 PTO Board's or team'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.

Section 5: Compensation

- A. A voting member of the Executive Board who receives compensation, directly or indirectly, from the SOUTH ARBOR ACADEMY PTO for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any team whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the SOUTH ARBOR ACADEMY PTO for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the Executive Board or any team whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the SOUTH ARBOR ACADEMY PTO, either individually or collectively, is prohibited from providing information to any team regarding compensation.

Section 6: Annual Statements

- A. Each director, principal officer and member of a team with PTO Board delegated powers shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflicts of interest policy
 - b. Has read and understands the policy,
 - c. Has agreed to comply with the policy, and,
 - d. Understands the SOUTH ARBOR ACADEMY PTO is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
 - e. A copy of the Annual Statement is attached to this document.
 - f. All signed copies of the Annual Statements shall be maintained in a central PTO file.

Section 7: Periodic Reviews

- A. To ensure the SOUTH ARBOR ACADEMY PTO operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
 - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining,
 - b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the SOUTH ARBOR ACADEMY PTO'S written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8: Use of Outside Experts:

- A. When conducting the periodic reviews as provided for in this Conflict of Interest Policy, the SOUTH ARBOR ACADEMY PTO may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the PTO Board of its responsibility for ensuring periodic reviews are conducted.

ANNUAL STATEMENT

I, _____, hereby acknowledge that upon acceptance of my role as a Executive Member or Team/Committee Leader for the South Arbor PTO I have:

1. I have received a copy of the PTO By-laws, including the Conflict of Interest;
2. I have read and fully understand said By-laws and Conflict of Interest;
3. I agree to comply with all By-laws and/or Policies and Procedures of the PTO;
4. I understand that the SOUTH ARBOR ACADEMY PTO is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and,
5. Additionally, I understand that any conflict with the statements above may result in my removal as an Executive at any General Membership meeting Board Member or Team/Committee Leader.

BY: _____

Print Name

Signature

Dated: _____