

BYLAWS of the NUTMEG STATE ORCHID SOCIETY, INC.

ARTICLE I: Name

This society shall be known as **Nutmeg State Orchid Society, Inc.**, incorporated in the State of Connecticut, hereafter referred to as “NSOS”.

ARTICLE II: Purpose and Organization

Section A. Purpose

1. We seek to promote interest in the conservation of orchids, the largest flowering plant family. We choose to do this by community involvement in the conservation of native and tropical orchids through:
 - a. Educational programs to increase awareness by lectures and demonstration on plant culture, propagation and preservation.
 - b. Rescue and relocation of native plants due to the destruction of habitats in Connecticut.
 - c. Being good stewards of our environment in order to preserve orchid habitats for the pleasure of future generations.
 - d. Providing the public interested in orchids, information on the preservation, cultivation, hybridization, and uses of orchids by means of exhibits, lectures, publications, and other such activities as may be necessary to effectuate such purposes.

Section B. Organization

1. NSOS may affiliate with other similar organizations but will remain forever an independent, sovereign organization.
2. NSOS shall, at all times, be operated solely and exclusively for scientific and educational purposes related to the study of orchids, their propagation, culture, care, and development.
3. No part of the net earnings of NSOS shall be used to the benefit of any member, director, officer of NSOS, or any private individual (except that reasonable compensation may be paid for services rendered to or for NSOS). No member, officer of NSOS or any private individual shall be entitled to share in the distribution of any of NSOS assets on dissolution of NSOS.
4. No substantial part of the activities of NSOS shall be carrying on propaganda, or otherwise attempting to influence legislation [except as otherwise provided by the Internal Revenue Code Section 501 (h)]. Nor shall NSOS participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.
5. NSOS shall not participate in any transaction resulting in the diversion of its income or assets to any officer, employee, contributor, other than in payment of reasonable compensation for personal services actually rendered to NSOS and members shall not receive compensation for services to NSOS other than reimbursement for expenses related to those services.

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6. Notwithstanding any other provisions of these articles, NSOS is organized exclusively for one or more of the purposes as specified in IRC 501(c) (3) of the Internal Revenue Code of 1954 and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under IRC 501(c) (3) or corresponding provisions of any subsequent Federal Tax laws.
7. In the event of dissolution, all of the remaining assets and property of NSOS shall, after necessary expenses thereof, be distributed to another organization exempt under IRC 501(c) (3), or corresponding provisions of any subsequent Federal Tax Laws, or to the Federal government, or state, or local government for the public purpose, subject to the approval of a Justice of the Supreme Court of the State of Connecticut.

ARTICLE III: Membership and Dues

Section A. Membership

1. **Regular Members** in NSOS may include any person or two persons living at the same address, regardless of race, sex, color or religion, with an interest in orchids. Two persons living at the same address will only receive one copy of NSOS mailings; however, each person will be entitled to one vote. Application for membership shall be made to the Membership Chairperson and, upon payment of the appropriate dues as specified in Article III, Section C. the applicant shall be considered a Member.
2. **Life Members** may include any person or two persons living at the same address, regardless of race, sex, color or religion, with an interest in orchids and who either pay the one-time Life Membership Fee as specified in Article III, Section C. or are considered Life Members by virtue of Such Membership is permanent unless otherwise requested by the Life Member. Two persons living at the same address will only receive one copy of NSOS mailings; however, each person will be entitled to one vote.
3. **Honorary Members** may include any person or two persons living at the same address, regardless of race, sex, color or religion, or a commercial orchid entity, or affiliated society with an interest in orchids and who is nominated, by petition to the Board of Directors, and upon 2/3 vote of the Board of Directors is then elected by a 2/3 vote of the Members present at the Annual Meeting or at any regular monthly meeting where there is a quorum. Such membership is permanent unless otherwise requested by the Honorary Member. Two persons living at the same address will only receive one copy of NSOS mailings. Honorary Members are not entitled to vote at membership meetings or to hold office within NSOS. The term Member as used hereafter shall refer to such Regular, Life and Honorary members as defined above. The Board may establish other categories of membership with such requirements and privileges as the Board may determine.

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Section B. Voting

1. All Regular and Life Members in good standing are entitled to one vote at all membership meetings.
2. Honorary Members are not entitled to vote at membership meetings or to hold office within NSOS.

Section C. Dues

1. The annual Regular Member dues and the Life Member fee shall be determined by the Board of Directors and voted upon at the Annual Meeting of NSOS.
2. Any change in the amount of dues assessed requires a 2/3 vote of the voting members present at the Annual Meeting. Annual dues shall be payable on January 1.
3. The Membership Chairperson shall give members whose dues have not been paid by March 31, one (1) final notice. Failure to pay the Annual Dues by April 30 shall be equivalent to cancellation of membership. A member may be reinstated at any time by payment of dues.
4. Lifetime membership dues shall be ten times the annual dues and shall be payable upon receipt of the application. Upon payment of said dues a lifetime member shall be exempt from all future dues payments.
5. New members joining in the last two months of the membership year will be considered as having paid dues for the following membership year. The Board of Directors may assess special dues for individuals joining during special society events, such as a society show. No dues or assessments shall be required of Honorary Members. No dues or assessments shall be refundable. **Amended 13/09/2010:** New members joining in the last **four months (September – December)** of the membership year will be considered as having paid dues for the following membership year.

Section D. Liabilities of Members

1. Members, as such, shall not be personally liable for any debts, liabilities, or obligations of the Society, and any and all creditors shall look only to the assets of the Society for payment.
2. The Society shall, to the extent practicable and permitted by law, maintain liability insurance on behalf of its members against any expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by such members in their capacity as such as a result of any threatened lawsuit, pending or completed action or proceeding, whether civil, criminal, administrative or investigative.

ARTICLE IV: Governing Body

Section A. Notice of Meetings

1. The Governing Body of NSOS, known as "The Board of Directors", (or Board or BOD) (Adopted 7-May-2012, Amended 7-May-2012), shall consist of the Officers as named in Article V, Section A, together with the immediate past president who shall be considered a non-elected officer. Written notice of the time, place and purpose of any special meeting of the members shall be given not less than ten (10) days or neither more than ninety (90) days before the date fixed for the meeting, not including the day of mailing nor day of meeting. Said notice shall be given 1) by mailing a copy of said notice to each member by first-class mail to the member's address of record as recorded on the membership list by the Membership Chairperson or, 2) by e-mail or, 3) by the official communication channel. (Adopted 7-May-2012, Amended 7-May-2012),

Section B. Meetings

1. The Board of Directors shall be vested with authority to carry on the business and management of NSOS' affairs and shall hold no less than four (4) meetings during the fiscal year. These meetings may be called by either the President or the Board at a time and place of their choosing,
2. Four (4) members of the Board shall constitute a quorum at any meeting of the Board. Meetings of the Board shall be maintained as open meetings. Any member may submit agenda items to the President; the member may then be invited to present these proposals to the Board; however, only Board members shall vote. The member's participation in discussion at the Board meeting shall be limited to that member's specific proposals.

Section C. Removal of any Officer

1. Any Officer may be removed from the Board, at any time, by a majority vote of the remaining Board members, at any meeting of the Board, if, in their judgment, such Officer, either by illness or any other cause, shall not adequately have attended to his duties.
2. Any Board member who fails to attend three (3) meetings of the Board, annually, will be deemed to not be adequately attending to their duties and will be replaced by a different member in accordance with Article V Section A Item 1 for the rest of his/her term.

Section D. Filling Officer Vacancies

1. The President or Board of Directors as specified in Article V, Section A, Paragraph 1 shall fill all vacancies among the Officers.

ARTICLE V: Officers

Section A. Officers and Duties (The Officers of NSOS shall be President, Vice-President, Secretary, Treasurer and three (Adopted 4-November-2013, Amended 4-November-2013) Directors whose duties are determined by the BOD based upon the needs of NSOS.) (Adopted 7-May-2012, Amended 7-May-2012)

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1. **The President** is NSOS' chief spokesperson, and shall preside at all meetings of NSOS and the Board of Directors and shall perform the recognized functions of the office, which includes the general supervision of NSOS affairs.
 - a. The President shall prepare an agenda for all meetings of the Board, including such items as suggested by other NSOS or Board members. The President shall provide this agenda to the Board at least 10 days prior to each meeting of the Board, if such time between meetings is available.
 - b. The President shall sign all written contracts and agreements for NSOS as specified in Article IX.
 - c. The President shall ensure that the Bylaws are enforced.
 - d. The President shall establish such committees as are necessary to conduct the affairs of NSOS beyond those Standing Committees identified in Article VII. The President shall be an ex-officio member of all committees, except the Nominating Committee.
 - e. Except as noted in Article V, Section C, Subsection 1, the President shall appoint, with the advice and consent of the Board and with appropriate notice to the general membership of such vacancies, one chairperson for each standing committee. Each chairperson shall be appointed for a one-year term with the privilege of re-appointment for a second year. Upon the request of the chairperson, and with approval of the Board, the President may extend the term of that committee chairperson.
 - f. In the event a Board member resigns or is otherwise no longer able to serve, the President shall, with reasonable haste and with the advice and consent of the Board, appoint an alternate to fill the vacancy. This alternate shall be a member in good standing of NSOS.
 - g. The President shall prepare an annual report for the membership to be delivered at the Annual Meeting.
 - h. The President shall vote at all meetings of the Board, when the vote is by ballot and in all cases where, by voting, the vote would change the result.
2. **The Vice President** shall assist the President in all recognized functions & preside over all meetings & duties in the absence or disability of the President.
 - a. The Vice President shall be responsible for working with the standing Program Committee Chairperson to ensure a program for monthly membership meetings.
 - b. In the event that the office of President becomes vacant, the Vice President shall assume all responsibilities of the office of President for the conclusion of the term of the President.
 - c. In the absence of a standing Program Committee Chairperson, the Vice President shall assume those responsibilities until a new Program Committee Chairperson is appointed.
3. **The Secretary** is responsible for all record keeping for NSOS.
 - a. The Secretary shall keep a true record of all meetings of NSOS and the Board which includes action(s) taken at these meetings including accurate records of votes cast for any proposals submitted.

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- a. The Secretary shall provide each member of the Board with a copy of the minutes of membership and Board meetings.
 - b. The Secretary shall handle all correspondences received by NSOS and shall notify the President, monthly, of all such correspondences.
 - c. The Secretary shall assist all committee chairpersons with correspondences, if so requested.
 - d. If the President and Vice President are absent from any meeting, the Secretary shall call the meeting to order, and shall preside for the duration of the meeting or until either the President or the Vice President arrive at which time they shall assume their duties.
 - e. The Secretary shall maintain a record of the whereabouts of all Society records and equipment.
 - f. The Secretary shall store records, correspondences, and notes of NSOS, and shall maintain and update a log of elections of Board members with the dates of terms of office and replacements as necessary.
 - g. Upon termination of the Secretary's term of office, he/she shall turn over to the incoming Secretary all papers, correspondences, records, back files and archives of NSOS.
4. **The Treasurer** is responsible for all fiduciary matters of NSOS.
- a. The Treasurer shall receive all dues from new and existing Members and shall oversee their collection by a duly appointed Membership Chairperson.
 - b. The Treasurer shall receive all moneys belonging to NSOS and shall disburse the same under the direction of the Board, or any committee empowered by the Board to pay obligations of NSOS.
 - c. The Treasurer shall make appropriate payments, in a timely manner, for all recurring expenses such as meeting place rent, post office box rent, bulk mail permits, and insurance renewals.
 - d. The Treasurer shall maintain a list of all donations made to NSOS including the name of the donor along with the amount of the donation.
 - e. The Treasurer shall provide any receipts that may be required by the IRS for charitable contributions made by donor. The Treasurer shall present a report of the current finances at each Board meeting.
 - f. The Treasurer's books and accounts shall, at all reasonable times, be open to inspection by any Member of the Board.
 - g. The Treasurer shall present a statement of the accounts at each Annual Meeting of NSOS including a written report of the previous fiscal year to include the balance sheet, statement of revenues, expenses and account balances.
 - h. The Treasurer shall, at the discretion of the Board, be adequately bonded upon assuming office. If the Board requires a bond, then NSOS shall underwrite its cost.
 - i. The Treasurer shall be responsible for the financial oversight of any shows and exhibits sponsored by NSOS. If a show or exhibit is held, the Treasurer shall assist the Show Chairperson in selecting a responsible controller for same, with Board approval. The Treasurer shall assist that controller in the

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execution of their duties or may assume those duties if necessary and desirable.

- j. The fiscal year of NSOS shall be from January 1 to December 31.
- k. Operating funds of NSOS shall be maintained in a demand deposit account in a bank insured by the Federal Deposit Insurance Corporation. These funds shall be subject to withdrawal upon the signature of the Treasurer and/or the President. Other funds may be held or invested at the discretion of the Board.
- l. Expenditures exceeding those amounts set by the Board for the needs of NSOS shall only be made with the consent of the Board. Gifts and donations made by NSOS to an individual or non-profit organization in any amount shall only require approval of the Board. Expenditures, gifts, and donations made by NSOS exceeding those limits set by the Board shall be submitted to the general Membership and approved by a standing vote of a majority of those present and entitled to vote.

Section B. Term of Office

- 1. The term of office of the President, Vice President, Secretary and Treasurer shall be two (2) years. The President, Vice President, Secretary and Treasurer shall serve no more than two (2) consecutive terms in their office, except following a partial term. Following a term (2 years) after their last term in office, an individual may be re-elected to the same office.
- 2. The term of office of Directors shall be two (2) years. Directors shall be elected on an alternating basis, one (1) year and one the next, all for two (2) year terms. Directors shall serve no more than two (2) consecutive terms, except following a partial term; however, following a one (1) year period after their last term in office, they may be re-elected.
- 3. If no successor comes forth to serve, the person previously elected or appointed may continue to hold office until their successor is elected. (Adopted 7-May-2012, Amended 7-May-2012)
- 4. No individual shall hold more than one office at a time.
- 5. If a Board member is no longer able to serve, the President, with the advice and consent of the Board, shall appoint an alternate to fill the vacancy (see Article V, Section A, Paragraph 1).

Section C. Election

- 1. **Elections** - All Officers shall be elected at the Annual meeting. Directors, as required, shall also be elected at the Annual Meeting.
- 2. **Nominating Committee**
 - a. The Nominating Committee shall consist of three individuals. At the regular September meeting each year, the President shall announce the appointment of the Nominating Committee Chairperson, chosen from the current Board, without Board approval. The Chairperson shall select from the general membership but not including the current Board members, the two remaining nominating committee members.

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- b. The President shall with the advice and consent of the Board, appoint an alternate to fill any vacancy occasioned by the resignation or failure of any member of the Nominating Committee to serve
- c. The Nominating Committee shall present a list of willing candidates for Officers and Directors at the November Membership Meeting unless the meeting is cancelled or a complete slate is not ready for publication. If a slate is not presented at the November Membership Meeting, the Nominating Committee Chairperson should e-mail a slate to all members prior to the Annual Meeting. If that is not possible, the Nominating Committee Chairperson will provide a **printed slate** for members to review at the start of the Annual Meeting. (Adopted 7-May-2012, Amended 7-May-2012) All such nominations shall be made with the prior consent of the nominees who shall declare that they are aware of the duties of office as set forth in these Bylaws. The Nominating Committee shall ensure that at least one eligible candidate be nominated for each open office.
- d. Any member, in good standing, of NSOS shall be eligible for nomination, provided they meet the requirements of these Bylaws specified in Article V, Section B.
- e. No member of the Nominating Committee shall, solely by his or her service on that committee, be ineligible for nomination.

3. Election of Officers

- a. Nominations from the floor will also be in order at the Annual Meeting provided those being nominated clearly express their willingness to serve at the time of nomination and their understanding of the duties of the office to which they are being nominated.
- b. Elections shall be held immediately following the close of nominations. Each candidate receiving a majority of votes cast shall be elected.
- c. Where there is more than one candidate listed for an office, voting shall be by written ballot.
- d. Newly elected Officers and Directors shall take office immediately after the close of the Annual Meeting at which they were elected.

ARTICLE VI: Society Meetings

Section A. Monthly Meetings

- 1. Monthly meetings, also known as Membership Meetings, are generally held on the First Monday of each month. Written notice of meetings shall be sent to all Society members at least one (1) week prior to these meetings.
- 2. A quorum at the Monthly Meeting shall consist of 20% of voting members.

Section B. Annual Meeting

- 1. The Annual Meeting shall be held in December, unless otherwise decided by the Board.
- 2. A quorum at the Annual Meeting shall consist of 20% of voting members.

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3. The Annual Reports of the President and Treasurer shall be made at this meeting.
4. Election of Officers and Directors shall be held at this meeting, as appropriate, according to Article V, Section C, and Subsection 2.

Section C. Special Meetings

1. The President, with the consent of the Board, may call special meetings of NSOS.
2. A written notice shall be sent to members at least one week prior to such a meeting.

Section D. Voting

1. Election of Officers, Directors, Amendments, and Decisions affecting the interests of NSOS shall be by standing vote or written ballot if so required by Article V, Section C, Subsection 2, of those members in good standing present at the time of the vote.

Section E. Rules

1. The rules contained in the current edition of Roberts Rules of Order shall govern NSOS in all cases to which they are applicable and which are not inconsistent with these Bylaws and special rules of order that NSOS may adopt.

ARTICLE VII: Standing Committees

Section A. Purpose & Structure

1. To better conduct the affairs of NSOS, the following Standing Committees shall exist and their responsibilities shall be at least as stated below but may include other duties and responsibilities as requested by the Board.
2. Each Standing Committee shall consist of one Chairperson, appointed by the President and with the advice and consent of the Board. A Standing Committee Chairperson shall, whenever possible, appoint a Vice Chairperson who will act in the absence of the Chairperson at any meetings of that committee. The Chairperson of that Standing Committee shall determine the number of persons needed to fulfill the duties of that committee.
3. Standing Committee Chairpersons are not positions on the Board; however, a Board member may be appointed as a Standing Committee Chairperson.
4. A Board Member shall be the Chairperson of no more than one Standing Committee. Chairpersons for Standing Committees may be requested by the Board to be present at Board meetings to deliver a committee report or to participate in discussions that pertain to that Standing Committee's responsibilities.

Section B. Advertising/Publicity

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1. Responsible for overseeing all advertising related to NSOS. Shall notify local newspapers, television and radio stations using their free public service features to inform the public of all Society events.

Section C. AOS and Affiliated Society Representative:

1. This Representative is the primary liaison between NSOS and the American Orchid Society.
2. Responsible for receiving and dispersing to the appropriate Society Chairpersons, Officers, or members, information received from the AOS, such as program information to the Vice President and book information to the librarian.
3. Responsible for promoting AOS membership within NSOS.
4. Responsible for responding to all requests from the AOS for information, such as the AOS Rep Questionnaire and provides the AOS with an updated membership list at regular intervals.
5. The AOS Representative is also responsible for keeping the AOS informed of all personnel changes to the NSOS Board of Directors.

Section D. Editorial:

1. Responsible for keeping all Society members informed of present and future activities of NSOS and its members through the production and dissemination of NSOS' monthly newsletter.
2. Responsible for assembling all information for the newsletter and ensuring that information published is accurate. (i.e., spelling and correctness of plant names to the best of their ability.)
3. Responsible for publishing the newsletter so it arrives at least one (1) week prior to all meetings for even the most distant recipient.
4. Responsible for the production of other publications if requested by the Board.

Section E. Hospitality:

1. Responsible for overseeing the refreshment table at Membership Meetings and encouraging Society Members to participate in providing refreshments.
2. Responsible for providing a means for donations to be made for refreshments and shall submit all collected money to the Treasurer. Where purchases of refreshments are required, all receipts shall be submitted to the Treasurer.
3. Responsible for ensuring that, at a minimum, drinks (coffee, tea, etc. and cookies, teacakes) are provided.

Section F. Librarian:

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1. Responsible for maintaining the *Robert Hirynk Memorial Library* including adequate records of all its books and publications. **Adopted 12-Sept-10 & Amended 13-09-2010.**
2. Shall, under policies and procedures approved by the Board, establish and provide the means whereby these materials are made available to the members for their use.
3. Responsible for recommending purchases of books to the Board and, upon their approval, making the purchases.
4. Responsible for maintaining all honors and awards of NSOS. These honors and awards shall be made available at the request of the Board but are not otherwise to be used by the members. At the discretion of the Board of directors, awards may be given to Members as a token of appreciation.
5. Keep an historical record of the activities of NSOS to include, at least, the names of all present and past Officers, Directors, Committee Chairpersons and a record of significant Society events such as Annual Meetings, picnics, field trips shows, exhibits, guests and speakers. Whenever possible this record shall include photographs and newspaper clippings. This historical record shall be maintained in an orderly manner, arranged chronologically, and available for use by NSOS.

Section G. Membership:

1. Responsible for creating and maintaining a list of the name, address, e-mail address and phone number of each Society member.
 - a. This list shall identify all current Officers, Directors, Life Members, Honorary Members, and Committee Chairpersons.
 - b. This list shall be published to all Officers, Directors and Committee Chairpersons at the time of their election or appointment, and shall be made available to all other members, upon request, or at intervals approved by the Board.
 - c. This list shall be used for all Society mailings and shall be used to determine if an individual is a member in good standing within NSOS. Further, the Board shall use this list to determine the count of members in good standing when requested.
2. Responsible for providing an application form for individuals wishing to join NSOS and should make these available at all NSOS functions, except Board meetings. As new members join NSOS, the Membership Committee shall provide the Editorial Committee with their names for publication in the monthly newsletter.
3. The Membership Committee shall be responsible for collecting membership dues and shall disburse all collected dues to the Treasurer in a timely manner.

Section H. Show:

1. Responsible for the oversight of NSOS show, if there is one.

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- a. Said chair shall be appointed within six weeks after the end of the current show so that planning for the subsequent year may be done as quickly as possible.
- b. Said appointment shall be made subject to Article V, Section A, under the President.

Section I. Programs:

1. Responsible for ensuring that monthly membership programs are conducted efficiently. This includes at a minimum the following items.
 - a. The committee shall be responsible for preparation of such materials as requested to organize the recruitment of speakers for the monthly membership programs. These materials constitute a speakers' package, including, but not limited to, such items as a task checklist, guidelines, speakers expectations, follow-up letters, arrangements for room and board, confirmation letters, etc.
 - b. The committee shall be responsible for selecting, interviewing, and scheduling speakers and topics that are of interest to the membership.
 - c. The committee shall be responsible for assisting/providing travel and lodging arrangements for the speaker.
 - d. The committee shall be responsible for insuring that that all materials that are needed by the speaker are available and function properly.
 - e. The committee shall be responsible for insuring that the recruitment checklist is followed and is up to date for each speaker.
 - f. The committee shall be responsible for insuring that all financial transactions between the society and the speaker are proper and that the society's financial obligations to the speaker are met in a timely manner.

Section J. Auctions:

1. Shall be responsible for organizing the annual fundraising auction, if held.
 - a. This includes soliciting donations from vendors and members, arranging for proper care of the plants before the auction, including any treatment for disease or insects, and organizing the day of auction activities, including setup, record keeping and auctioneers.

Section K. Conservation and Education:

1. Shall be responsible for promoting the interests of orchid conservation and education for the society.
 - a. This should include but not be limited to activities such as providing liaison with governmental agencies and other societies make suggestions for speakers and presentations, organizing field trips, facilitating opportunities for increased sharing among interested people, and providing information for the newsletter and website.

ARTICLE VIII: Properties Section A. Use of NSOS Properties

1. The equipment of NSOS shall be for the use of NSOS and shall not be for personal use.

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2. NSOS' Library and other educational materials belonging to NSOS shall be for the use of members only. Their use shall be governed by appropriate rules established by the Library Chairperson(s).

ARTICLE IX: Contracts Section A. Procedures

1. NSOS will, from time to time, be required to enter into contracts in order to conduct its business. The President shall, with one other Officer or Director, sign all written contracts and obligations. The second signature will usually be the Secretary but due to the particular nature of some contracts, may not always be the Secretary. No contract is binding on NSOS unless signed as required above.

ARTICLE X: Conflicts of Interest Policy Section A. Purpose

1. The purpose of the conflict of interest policy is to protect NSOS' interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction.
2. 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 B. Definitions

1. **Interested Person:** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity receiving compensation for growing & selling Orchids of which the organization is a part, he or she is an interested person with respect to all entities growing & selling of orchids.
2. **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 NSOS has a transaction or arrangement, b. A compensation arrangement with NSOS or with any entity or individual with which NSOS has a transaction or arrangement, or c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which NSOS 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 Article III, Section 2, 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 B. Procedures

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and

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members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. **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.
3. **Procedures for Addressing Conflicts of Interest**
 - a. 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.
 - b. 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.
 - c. After exercising due diligence, the governing board or committee shall determine whether NSOS 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in NSOS'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.
4. **Violations of the Conflicts of Interest Policy**
 - a. 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.
 - b. 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.
5. **Records of Proceedings:** The minutes 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,

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including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6. Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from NSOS for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NSOS for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NSOS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

7. Annual Statements: Each director, principal officer and member of a committee with governing 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 NSOS 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.

8. Periodic Reviews: To ensure the Organization 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. [Arm's Length Bargaining - A transaction between parties having adverse (or opposing) interests; where none of the participants are in a position to exercise substantial influence over the transaction because of business or family relationship(s) with more than one of the parties.]
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to NSOS' 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.

9. Use of Outside Experts: When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XI: Changes to the Bylaws: Section A. Procedures

1. NSOS' Bylaws may be amended by a 2/3 vote of the members present at any regular meeting of the membership or at any special meeting called for that purpose, providing in either case that a quorum is present. Written notice of the meeting and a copy of the proposed amendments shall be sent to the members at least one (1) week prior to the meeting before the meeting at which they are to be presented. A current copy of the bylaws will be available on-line.

2. When sections of the bylaws are updated, a notation will be added to the end of the section, indicating when the section was updated, e.g., "Adopted 15-Sep-01", "Amended 15-Sep-01" or for sections with multiple updates, "Adopted 12-Apr-99, Amended 15-Sep-00, Amended 13-Jul-01"

3. Any changes in NSOS' Bylaws are binding from the date of adoption