

**BY - LAWS**  
**FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM INC.,**  
**FARIBAULT, MINNESOTA**

**ARTICLE I - NAME**

Section 1. The name of this organization shall be Faribault Area Chamber of Commerce and Tourism Inc., under the laws of the State of Minnesota with principal place of business located in Faribault, Minnesota.

**ARTICLE II - PURPOSE**

Section 1. By implementing programs and strategies that help members, the Faribault Area Chamber of Commerce and Tourism enhances local business development and prosperity.

**ARTICLE III - LIMITATION OF METHODS**

Section 1. The Faribault Area Chamber of Commerce and Tourism shall adhere to all local, state, and federal laws which apply to a non-profit organization as defined in Section 501(c)6 of the Internal Revenue Code.

**ARTICLE IV - MEMBERSHIP**

**Section 1. Business Members**

Any business, firm, company, corporation or partnership having interest in the above purpose shall be eligible for membership.

**Section 2. Associate Members**

This category of membership shall be available to individuals, charitable organizations, civic groups and clubs. Associate members must not be eligible for full membership through a business entity. Associate members have all the same benefits of general members except they are not eligible to serve on the board of directors.

**Section 3. Honorary Members**

Exemplary service to the Faribault Area Chamber of Commerce and Tourism and to the community shall make an individual eligible to become an honorary member. Honorary members have all privileges of membership except holding office and are exempt from payment of membership dues. Honorary member status is given only by the Board of Directors majority vote. The Board of Directors can revoke honorary membership at any time.

**Section 4. Application for Membership**

Business and Associate members may be accepted for membership at any Board of Directors meeting. Applications must be received in writing or on a membership application form. The applicant's signature shall be regarded as agreement with the purpose of the organization and an obligation for payment of membership dues as outlined on the current dues schedule.

**Section 5. Voting Privilege**

In the case of a vote or election of the membership, each full or associate member in good standing shall be entitled to cast one vote.

## Section 6. Membership Suspension

The Board of Directors may suspend membership for cause or for nonpayment of dues.

- a. Three-fourths vote of all directors shall be necessary to suspend a member for cause
- b. A member may be suspended from membership for non-payment of dues when that member's account is 120 days past due.
- c. A suspended member shall have the right to appeal to the Board of Directors upon written request. The member must be allowed to make such an appeal at the next Board of Directors meeting within thirty days of the request.
- d. A suspended member may be reinstated upon the approval of the Board of Directors, payment of the current year's annual dues, and payment of any outstanding dues or other payments to the Chamber or subject to any conditions imposed by the board.

## Section 7. Resignation

Members may resign with written notice to the Board of Directors.

## Section 8. Cancellation of Obligations

In the event of a member's death, departure from the area, or in consideration of business changes, the Board of Directors may cancel all dues and other financial obligations.

# ARTICLE V - BOARD OF DIRECTORS

## Section 1. Governance and Meetings

The governance of the Chamber, the direction of its work, the control of its property and the adoption of rules for conducting the business of the Chamber shall be vested in the Board of Directors. They shall determine their regular meeting time and place. Absence from three consecutive regular meetings, without an excuse deemed valid and so recorded by the Board of Directors, shall be construed as a resignation.

## Section 2. Composition

The Board of Directors shall consist of 15 members, comprised of 4 officers: Chair, Past Chair, Vice Chair, Treasurer; and eleven elected directors.

## Section 3. Duties

The Board of Directors shall have charge of the routine business of the Chamber. It shall have general charge of the finances and property of the Chamber and shall have authority to order disbursements in such amounts as shall not exceed the budget allowance for such work. The Board of Directors shall approve an annual budget of the estimated expenses of the Chamber.

## Section 4. Ex-officio

The President of the Chamber shall serve as a director without vote.

## Section 5. Terms of Directors

Board Members may serve no more than two consecutive three year terms, or a total of six years, unless a lapse of at least one year occurs from the previous full term as a director.

## Section 6. Vacancies

The Directors shall have power to fill all vacancies on the Board.

## Section 7. Quorum

A simple majority of the Board of Directors shall constitute a quorum at any meeting.

#### Section 8 Term

The Board of Directors shall be elected in the method provided herein and assume duties January 1 and serve through December 31 of the last year of the term.

#### Section 9. Nominating Committee

Before August 15 of each year the Chair of the Board shall appoint a Nominating Committee.

#### Section 10. Nominating Procedure

No later than September 1 of each year, the Nominating Committee shall notify the membership of the opportunity to submit candidates for nomination. The Nominating Committee shall allow at least 30 days for open nominations. The Nominating Committee shall submit to the Chair of the Board a slate of qualified candidates equal to the number of openings on the Board for the position of elected director.

#### Section 11. Election

The President shall present the slate of directors, recommended by the Nominating Committee, to the membership for approval.

#### Section 12. Petition

If a petition of 25 members is presented to the Board Chair for a candidate not on the slate recommended by the Nominating Committee, then the Chair of the Board shall appoint an Election Committee to conduct a ballot vote of the general membership to be concluded no later than Oct 31. The candidates receiving the highest number votes shall be considered elected.

#### Section 13. Conflict of Interest

The Board of Directors has adopted a conflict of interest policy requiring board members, officers and key employees to annually disclose potential conflicts. The board will regularly and consistently monitor and enforce compliance with the policy included in the addendum to these by-laws.

### ARTICLE VI MEMBERSHIP MEETINGS

#### Section 1. Meetings

The Board of Directors may hold membership meetings whenever it may be considered necessary or desirable.

#### Section 2. Petitioned Meetings

The Board of Directors shall call a membership meeting upon receiving a petition signed by not less than 10 percent of the members.

#### Section 3. Annual Meeting

The Board of Directors shall hold an annual meeting to review the annual report. This meeting shall be open to all members.

#### Section 4. Annual Report

An annual report of the Chamber shall be issued to all members following Board review.

#### Section 5. Notice

Notice of membership meetings shall be given to each member at least five days in advance of day of meeting.

#### Section 6. Membership Quorum

Twenty-five percent of the membership shall constitute a quorum. In the event of a membership vote, each business member and each associate member shall have one vote.

## ARTICLE VII - OFFICERS AND THEIR DUTIES

### Section 1. Officers

Officers include; Chair, Past Chair, Vice Chair and Treasurer. All officers shall be members of the Board of Directors. Each is appointed for a one year term.

### Section 2. Officers Duties:

The Chair of the Board shall:

1. preside at meetings of the Board of Directors and membership
2. have power to appoint all committees
3. be an Ex-Officio member of all committees
4. perform all duties accompanying this office

The Vice Chair shall assume the responsibilities of the chair when the chair is absent.

The Past Chair shall serve as advisor for the board.

### Section 3. Treasurer Duties

The Treasurer shall oversee the collection and expenditure of all funds of the Chamber and make recommendations to the Board of Directors and President as needed. The Treasurer, in cooperation with the President, shall present a monthly financial report to the Board of Directors and an annual report to the members. The Treasurer is appointed by the Executive Committee. The Treasurer may serve no more than two consecutive three year terms, unless a lapse of at least one year occurs from the previous full term.

### Section 4. Succession to the Chair

Upon appointment by the Board to the Executive Committee, the Vice-Chair succeeds to serve as the Chair of the Board. Following the year as Chair of the Board, there is a one year term as Past Chair. These appointments are not subject to the limit of two-three year terms

### Section 5. President

The Board of Directors may employ a President, whose compensation shall be determined by the Executive Committee. The President shall be the Chief Executive officer of the Chamber. Duties are subject to the direction of the Board of Directors. The President shall assist with Treasurer's duties. At the termination of employment, all books, papers, and property of the Chamber shall be delivered to the Board of Directors.

### Section 6. Bonds

The President and Chamber staff shall furnish security bonds in such amounts as the Board of Directors shall deem necessary. The Faribault Area Chamber of Commerce and Tourism shall pay this expense.

### Section 7. Duties of the President

Administration and operation is assigned to the President who shall be responsible for carrying out policies and duties established by the Board of Directors. He/She or a designated staff member shall also serve as a Secretary of the Board of Directors and Executive Committee.

### Section 8. Management

The President shall manage the property, business and affairs of the Chamber. He/She shall perform all duties incident to the office or prescribed by the Board. He/She shall employ and supervise the staff necessary to carry on the work of the organization, and set their compensation within limits set by the Executive Committee. He/She shall supervise the maintenance of all records, preparation of reports and investments oversight. He/She shall supervise the preparation of monthly financial statements and shall prepare an annual report on organization activities and finances.

## ARTICLE VIII - COMMITTEES

### Section 1. Appointment of Committees

The Board of Directors shall appoint all committees. The Chair of the Board may also appoint such ad hoc committees and task forces as deemed necessary to carry out the work of the Chamber. All committees serve as advisory committees to the Board of Directors and carry on the activities delegated to them by the Board.

### Section 2. Limitations of Committees

No committee or committee member shall have the authority to take binding action or declare the policy of the Chamber unless approved by the Board of Directors.

### Section 3. Executive Committee

The Executive Committee shall be composed of the Chair, Past Chair, Vice Chair and Treasurer. The President shall be a non-voting member of the committee and may serve as its Secretary.

### Section 4. Appraisal of President

Annually the Executive Committee shall make an appraisal of the President's performance based on the job description and annual goals set forth by the Board of Directors.

### Section 5. Advisory Committee

The Executive Committee shall serve as an advisory committee to the President to discuss strategies and other issues regarding the management of the Chamber.

### Section 6. Executive Committee Authority

The Executive Committee shall have the full authority of the Board of Directors to act on behalf of the Chamber in emergencies or between regular Board meetings if necessary.

## ARTICLE IX - FINANCES

### Section 1. Budget Preparation

The Treasurer and President shall submit a proposed budget to the Board at a regular Board meeting no later than December. As passed by the Board, with or without modification, this budget shall be the appropriation of the Chamber.

### Section 2. Financial Authority

Upon approval of the budget, the President shall be authorized to make the disbursements of accounts provided for in the budget without additional approval by the Board. All checks issued on behalf of the Chamber shall be co-signed by two-persons with signing authority. Authorized signers are designated annually and may include the Executive Committee members, and administrative chamber staff.

### Section 3. Standard Practices

The President and the Treasurer shall monitor compliance with the budget and with standard and proper financial policies regarding the receipt, disbursement and investment of the Chamber funds.

### Section 4. Financial Report

The Board of Directors shall approve the annual financial report, prepared by the Treasurer and the President, and make a full and clear statement of the business and condition of the Chamber Corporation available annually to all members.

### Section 5. Bonds and Insurance

The President and Chamber staff shall furnish security bonds in such amounts as the Board of Directors shall deem necessary. The Officers, Directors, committees, volunteers and employees of the Faribault Area Chamber of Commerce and Tourism shall be covered by Board of Directors and Officers Liability Insurance in such amounts as the Board of Directors deems necessary. The Faribault Area Chamber of Commerce and Tourism shall pay this expense.

### Section 7. Fiscal Year

The fiscal year shall be the calendar year.

## ARTICLE X - PARLIAMETARY PROCEDURE

### Section 1. Rules of Order

The proceedings of the Chamber meetings shall be governed by and conducted according to the latest edition of Robert's Rules of Order.

## ARTICLE XI - AMENDMENTS

### Section 1. By-law Amendments

These by-laws may be amended or altered by a majority vote of those present at any regular or special meeting of the Board of Directors. Notice of the proposed change(s) shall be provided to each member no less than 10 days prior to such meeting.

## ARTICLE XII- DISSOLUTION

### Section 1. Dissolution of the Organization

The Faribault Area Chamber of Commerce and Tourism Inc., may be dissolved and terminated by a majority vote of its membership. Funds on hand and obtained by sale of its assets shall be held in escrow for five years, and distributed to a successor Chamber of Commerce formed within that period. If at the end of five years no successor organization has been formed, the funds shall be distributed to the City of Faribault for economic development purposes.

## ARTICLE XIII - INDEMNIFICATION

### Section 1. Indemnification

To the full extent as permitted by the Minnesota Nonprofit Corporation Act, each person who was or is a party or is threatened to be made a party to any threatened, pending or completed legal action, suit or proceeding, wherever and by whomever brought, whether civil, criminal, administrative or investigative, by reason of the fact that he/she was a member Director, officer or serving at the request of the Board, shall be indemnified by the corporation by the affirmative vote of the majority of the directors present at a duly held meeting of the Board.

## Conflict of Interest Policy

It is in the best interest of Faribault Area Chamber of Commerce and Tourism Inc.(The Chamber) to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This conflict of interest policy is designed to help directors, officers, employees and volunteers of The Chamber identify situations that present potential conflicts of interest and to provide The Chamber with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in The Chamber's operations.

1. **Conflict of Interest Defined.** In this policy, a person with a conflict of interest is referred to as an "interested person." For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:
  - a. A director, officer, employee or volunteer, including a board member (or family member of any of the foregoing) is a party to a contract, or involved in a transaction with The Chamber for goods or services.
  - b. A director, officer, employee or volunteer, (or a family member of any of the foregoing) has a material financial interest in a transaction between The Chamber and an entity in which the director, officer, employee or volunteer, or a family member of the foregoing, is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.
  - c. A director, officer, employee or volunteer, (or a family member of the foregoing) is engaged in some capacity or has a material financial interest in a business or enterprise that competes with The Chamber.

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a person who has influence over the activities or finances of the nonprofit. All such circumstances should be disclosed to the board or staff, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of the nonprofit are not compromised by the personal interests of stakeholders in the nonprofit.

Gifts, Gratuities and Entertainment. Accepting gifts, entertainment or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of The Chamber

## 2. Definitions.

- a. A "Conflict of Interest" is any circumstance described in Part 1 of this Policy.
- b. An "Interested Person" is any person serving as an officer, employee or member of the Board of Directors of The Chamber or a major donor to The Chamber or anyone else who is in a position of control over The Chamber who has a personal interest that is in conflict with the interests of The Chamber
- c. A "Family Member" is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an interested person.
- d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's or Family Member's judgment with respect to transactions to which the entity is a party.
- e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods or services, the providing or receipt of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another organization. The making of a gift to The Chamber] is not a Contract or Transaction.

3. **Procedures.**

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other volunteers have a conflict of interest, relevant facts should be disclosed by the board member or by the interested person him/herself if invited to the board meeting as a guest for purposes of disclosure.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.
- e. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of The Chamber has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
- f. Interested Persons who are not members of the Board of Directors of The Chamber or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to their supervisor, or the Chair, or the Chair's designee, any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect The Chamber's participation in such Contract or Transaction.

In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor or the Chair or the Chair's designee, who shall determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to this policy.

4. **Confidentiality.** Each director, officer, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of The Chamber Furthermore, directors, officers, employees and volunteers shall not disclose or use information relating to the business of The Chamber for their personal profit or advantage or the personal profit or advantage of their Family Member(s).

5. **Review of policy.**

- a. Each director, officer, employee and volunteer shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.
- b. Annually each director, officer, employee and volunteer shall complete a disclosure form identifying any relationships, positions or circumstances in which s/he is involved that he or she believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to The Chamber Any such information regarding the business interests of a director, officer, employee or volunteer, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated to all staff and volunteers

**Basic Conflict of Interest Disclosure Form [insert date]**

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position (employee/director/officer): \_\_\_\_\_

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between The Chamber and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interest to report

\_\_\_\_\_ I have the following conflict of interest to report (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own):

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of the Faribault Area Chamber of Commerce and Tourism.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_