

BYLAWS RIVER CITY RHYTHM, INC.

ARTICLE I. NAME AND LOCATION

The name of the corporation shall be River City Rhythm, Inc. The location of the registered office of the corporation shall be within the City of St. Cloud, County of Stearns, and State of Minnesota at P.O. Box 2236, St. Cloud, MN 56302-2236. Other offices for the transaction of business shall be located at such places as the Board of Directors may from time to time determine.

ARTICLE II. PURPOSE

This corporation is organized exclusively for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended, including, for such purposes, the making of distributions to organizations that also qualify as Section 501(c)(3) exempt organizations. To this end, the corporation shall educate and develop the musical and artistic abilities of youth, up to age 22, by providing educational opportunities in the performing arts. All funds, whether income or principal, and whether acquired by gift or contribution or otherwise, shall be devoted to said purposes.

ARTICLE III. DIRECTOR'S MEETINGS

SECTION 1. All meetings of the Board of Directors shall be at such time and place as the Board, by resolution, shall establish, except that an annual meeting shall be held during the first quarter of the year. Notice of such meetings, including time, place and purpose, shall be personally communicated to all Board members by mail, e-mail, telephone or fax. The President or, in the President's absence the Vice President, shall preside over the meeting.

SECTION 2. Special Meetings. A special meeting of the Board of Directors may be called by the President or Vice President or upon the written request of any other member of the Board.

SECTION 3. Waiver of Notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice of said meeting.

SECTION 4. Quorum. A majority of the board members (2/3) holding office shall constitute a quorum for the transaction of business pursuant to the notice of meeting.

SECTION 5. Action Without a Meeting. Any action may be taken by the Board of Directors without a meeting if authorized in writing and circulated to all directors for electronic signature.

SECTION 6. Proxy Voting. Proxy voting is specifically prohibited.

SECTION 7. Conference Call Voting will be allowed if arrangements are made with the President or Vice President prior to the meeting. Request to vote via conference call must be in writing and will be submitted into the minutes. No board members shall seek the vote of an absent board member by means of phone calls or other electronic communications under any other circumstances.

ARTICLE IV. BOARD OF DIRECTORS

SECTION 1. Board Membership

The Board of Directors shall consist of five elected individuals – four officers listed in Article V and one at-large member. The immediate Past President and the Head Instructor will act as ex-officio, non-voting members. There will be a total of 7 Board Members.

- The Board of Directors shall have the general management and control of all business and affairs of River City Rhythm, Inc., and shall exercise by appropriate rules or resolutions all the powers that may be exercised or performed by River City Rhythm, Inc. under the statutes, its Articles of Incorporation, and the Bylaws.
- The terms of office of all directors shall be two (2) years when their successors have been elected and qualified or shall expire upon their death, incapacity, or resignation prior to the end of their two-year term. Directors shall be elected by River City Rhythm, Inc. members at the annual meeting.
- Any director may resign at any time by delivering a written resignation to the President or Vice-President of River City Rhythm, Inc.
- The directors shall elect the officers of River City Rhythm, Inc. Such election shall be held at the directors meeting following each annual membership meeting.
- The Immediate Past President shall have the same duties and expectations as the At-Large Board Members, who will assist in the decision making processes and general duties of the Board.

SECTION 6. Filling Vacancies

Vacancies on the Board of Directors shall be filled by the affirmative vote of a quorum of the remaining members of the Board. Each person so elected shall be a director until the next annual meeting of the Board of Directors and until his or her successor is elected and qualifies.

SECTION 7. Compensation

No compensation shall be paid to directors for their services as directors for River City Rhythm, Inc.

SECTION 8. Reimbursements

Expenses - The Board of Directors shall be reimbursed for any actual budgeted expenses incurred while doing business for the group. Non-budgetary expenses must be pre-approved by the President or Treasurer. Expenses must be submitted on a detailed official Expense Report provided by the Treasurer and accompanied by a valid original receipt from the vendor.

Mileage - The Board of Directors shall be reimbursed, if funds are available, for mileage to and from meetings and while doing official business for the group. Mileage will be reimbursed at the current IRS Standard Mileage Reimbursement Rate. Board members may not be reimbursed for mileage beyond 45 days old. Board members may defer and or donate this reimbursement back to River City Rhythm, Inc., and as such will be entitled to a receipt for the donation, the same as if it were a cash donation.

ARTICLE V. OFFICERS

SECTION 1. Officers

The principal officers of River City Rhythm, Inc. shall be a President, a Vice-President, a Treasurer, and a Secretary. Directors may appoint an assistant Secretary/Treasurer, and such other officers as, in their judgment, may be necessary. Any two offices, except those of President and Vice-President and those of President and Treasurer may be held by the same person.

- A. The officers of River City Rhythm, Inc. shall be elected annually by the Board of Directors after the annual meeting; and such officers shall hold office at the pleasure of the Board for a term of one (1) year. All officers must be natural persons of legal age.
- B. Upon affirmative vote of a quorum of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such a purpose. Such a removal is without prejudice to contract rights, if any, that he or she may have with River City Rhythm, Inc.
- C. No officer, agent, or representative of River City Rhythm, Inc. shall make or enter into, on River City Rhythm, Inc.'s behalf, any contract, or act on behalf of the Board of Directors without the Board of Director's prior approval, other than approved budget items.

SECTION 2. Filling Vacancies

In case any office becomes vacant by death, resignation, retirement, incapacity, or any other cause, such vacancy shall be filled by the affirmative vote of a quorum of the Board of Directors then in office. An officer so elected shall hold office and serve until the next annual meeting of the Board of Directors and until his or her successor is elected and qualifies.

SECTION 3. Duties of the Officers

- A. The President shall be the Chief Executive Officer of River City Rhythm, Inc. He or she shall preside at all meetings of the members and of the Board of Directors. He or she shall have all the general powers and duties that are usually vested in the office of the President of a corporation (including, but not limited to, the power to appoint committees from among the membership from time to time as he or she may, at his or her discretion, decide what is appropriate in the conduct of affairs of River City Rhythm, Inc.).
- B. The Vice-President shall take the place of the President and perform those duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors.
- C. The Secretary shall keep the minutes of all meetings of the Board of Directors, and the minutes of all meetings of the members of River City Rhythm, Inc. He or she shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct, and he or she shall, in general, perform all the duties incident to the office of the Secretary.

- D. The Treasurer shall have the custody of all general funds, property and securities of River City Rhythm, Inc., subject to such regulations as may be imposed by the Directors. The Treasurer will prepare monthly financial statements and annual tax preparation. As well, the Treasurer will perform or oversee an Annual Audit with a qualified Non-profit accountant to assure compliance associated with non-profit and 501(c)3 status requirements.

ARTICLE VI. CONFLICT OF INTEREST POLICY

SECTION 1. River City Rhythm has adopted a Conflict of Interest Policy. The purpose of said policy is to protect River City Rhythm, Inc.'s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of River City Rhythm, Inc. 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. The Conflict of Interest Policy is found in Appendix A at the end of this document.

ARTICLE VII. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. The Board of Directors may authorize any officer or officers, agent or agents of River City Rhythm, Inc., in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, River City Rhythm, Inc., and such authority may be general or confined to specific instances.

SECTION 2. All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness, issued in the name of River City Rhythm, Inc. shall be signed by a River City Rhythm, Inc. officer of River City Rhythm, Inc. All such checks, drafts or orders shall be signed by two (2) of the above officers on any transaction exceeding \$500.

SECTION 3. Any officer, director or designated agent is authorized on behalf of River City Rhythm, Inc. to endorse for deposit the same to the credit of River City Rhythm, Inc. at such banks and depositories as the Board of Directors may designate.

SECTION 4. All funds of River City Rhythm, Inc. shall be deposited from time to time to the credit of River City Rhythm, Inc. in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VIII. FISCAL YEAR

SECTION 1. The fiscal year of the corporation shall commence on January 1st of each year and end on December 31st.

ARTICLE IX. DISSOLUTION

SECTION 1. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE X. AMENDMENT OF ARTICLES OF INCORPORATION OR BYLAWS

CERTIFICATION

The undersigned do hereby certify:

1. That we are the duly elected and acting Board of Directors of River City Rhythm, Inc., a Minnesota non-profit corporation; and
2. That the foregoing Bylaws constitute the adopted Bylaws, along with all amendments of said corporation.

In witness whereof, we have hereunto subscribed our names this _____ day of _____.

_____, President

_____, Vice-President

_____, Secretary

_____, Treasurer

_____, Director

_____, Director

_____, Director

Appendix A. Conflict of Interest Policy of River City Rhythm, Inc.

It is in the best interest of River City Rhythm, Inc. 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 River City Rhythm, Inc. identify situations that present potential conflicts of interest and to provide River City Rhythm, Inc. with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in River City Rhythm, Inc. 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 River City Rhythm, Inc. 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 River City Rhythm, Inc. 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 River City Rhythm, Inc..

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 River City Rhythm, Inc.

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 River City Rhythm, Inc. or a major donor to River City Rhythm, Inc. or anyone else who is in a position of control over River City Rhythm, Inc. who has a personal interest that is in conflict with the interests of River City Rhythm, Inc.
- 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 River City Rhythm, Inc. 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 River City Rhythm, Inc. 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 River City Rhythm, Inc., 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 River City Rhythm, Inc.'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 River City Rhythm, Inc. Furthermore, directors, officers, employees and volunteers shall not disclose or use information relating to the business of River City Rhythm, Inc. 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 River City Rhythm, Inc. 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

River City Rhythm, Inc.
Annual Conflict of Interest
Disclosure Form

Updated July 2009

Name: _____

Position (employee/volunteer/trustee): _____

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 River City Rhythm, Inc. 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. _____

4. _____

5. _____

6. _____

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 River City Rhythm, Inc.

Signature: _____

Date: _____