

# SCENIC MONTANA TRAILS

## BOARD OF DIRECTORS POLICY MANUAL

### PURPOSE

The Board of Directors Policy Manual contains all Board policies and practices required by the Board in conjunction with the governance and management of the Corporation. It provides detailed directives to governance issues outlined in the Corporation's Articles of Incorporation and Bylaws.

SCENIC MONTANA TRAILS  
A Montana Nonprofit Corporation

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## PREFACE

Explanation of terms used in the policies of the Scenic Montana Trails Corporation Board of Directors.

1. Scenic Montana Trails Corporation, Scenic Montana Trails, or Corporation refers to the organization.
2. Board of Directors, BOD, or Board refers to the Board of Directors of the Scenic Montana Trails Corporation.
3. Officer refers to an elected officer of the Board of Directors and holds the position of President, Vice President, or Secretary/Treasurer.
4. Members of the Executive Committee include elected Officers, past President, and up to two (2) at-large Board members.
5. Director refers to any member of the Board of Directors of Scenic Montana Trails Corporation.
6. Member refers to any member of the Scenic Montana Trails Corporation who is not on the Board of Directors.
7. Those policies, which call for an annual review by the BOD, shall be presented at a publicly noticed general or annual meeting of the Board of Directors.
8. The Act refers to the Montana Nonprofit Corporation Act.

## PURPOSE OF POLICY MANUAL

The Scenic Montana Trails Corporation is a nonprofit organization, dedicated to promoting outdoor mechanized recreation. All of the Corporation operations and programs support the mission and goals. All who work for, or on behalf of, the Corporation understand and are loyal to them. The mission and goals are responsive to the constituency and communities served by the Corporation and benefits the community at large.

Creating nonprofit policies begins with knowing what they are. Policies are the operational guidelines for an organization. The purpose of policies is to protect and steer the staff and the Board as they fulfill the mission of the organization. They are a reference tool for appropriate action, ethical decision making, and for dealing with potential or actual conflicts. Policies can paraphrase a law, explain a procedure, clarify a principle, or express a desired goal. They are the protocol to follow that, when properly used, helps diminish embarrassing or potentially harmful situations, improper behavior, and ineffective decision making. An organization usually has Board-related, personnel and financial policies.

The primary policies for an organization are most likely found in its original Bylaws, which contain information about the rules and regulations that govern the Corporation. These policies define the role of the Board members, how they are elected, how they function during Board meetings, and how their work is structured. Also, the Bylaws clarify how amendments are made to the original document: Bylaws are an evolving document that needs to be reviewed by the Board on a regular basis. However, Bylaws normally only create the very basic structure for the Board's operative functioning. This document should not be cluttered by every conceivable rule and recommendation.

## PURPOSE STATEMENT

The Board of Directors Policy Manual contains all Board policies and practices required by the Board in conjunction with the governance and management of the Corporation. It provides detailed directives to governance issues outlined in the Corporation's Articles of Organization and Bylaws.

## MISSION

The Corporation's mission is to promote mechanized outdoor recreation.



# BYLAWS

## ARTICLE I: NAME, PURPOSE, AND OFFICES

**SECTION 1: Name.** The name of this Corporation shall be Scenic Montana Trails. The Corporation may, at its pleasure by a vote of a quorum of the Board of Directors, change its name.

**SECTION 2: Purpose.** The Scenic Montana Trails Corporation is organized exclusively for charitable, scientific, and educational purposes, including the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. This Corporation is incorporated under, and shall be operating according to the Montana Nonprofit Corporation Act. This Corporation shall not contribute money to political campaigns, engage in lobbying activities, or distribute profits to members, officer or directors.

This Corporation may fund activities such as, but not limited to:

- A. To promote outdoor recreation by creating an ongoing communications forum through which trails for enthusiasts and organizations, using mechanized travel, can share information and experiences.
- B. To build partnerships with land managers, land owners, and supporters and become partners in protecting, promoting, and creating a positive image of Scenic Montana Trails recreation.
- C. To stimulate, promote, and advance the general welfare, safety, and responsible and ethical use of mechanized use of trails among families and individuals of all ages.
- D. To join the collective voice of mechanized enthusiasts for proper recreational uses in keeping with the protection, preservation, and enhancement of all natural and environmental resources.
- E. To defend the interests and general welfare of mechanized enthusiasts through legal action when appropriate.
- F. To perform all desirable and lawful functions for the successful operation of the corporation in the general public interest.
- G. To participate in maintaining trails for the Scenic Montana Trails Corporation.
- H. To provide increased opportunities for individuals with handicapping conditions to enjoy and navigate our outdoor trails.
- I. To identify priorities for the future of outdoor recreation, conservation, natural resources and access.

**SECTION 3: Offices.** The principal office and the post office mailing address of the Corporation shall be in Seeley Lake, Montana. The Corporation may also carry on business in other locations

in the State of Montana. The registered office of this Corporation required by the Montana Nonprofit Corporation Act to be maintained in the State of Montana may be, but need not be, identical with the principle office in the State of Montana, and the address of the registered office and registered agent may be changed from time to time by the Board of Directors.

## ARTICLE II: NONPROFIT STATUS; TAX STATUS

The Corporation shall be operated on a not-for-profit basis within the meaning of Section 501(c)(3) of the Internal Revenue Code as shall be determined to be applicable to the Corporation. No part of the revenue or assets of the Corporation may inure to the benefit of the officers or members of the Corporation. The primary activity of the Corporation shall be to promote the purpose as set forth in Article I, Section 2 of these Bylaws.

## ARTICLE III: CORPORATE POWERS; INITIAL INCORPORATORS

**SECTION 1: Corporate Powers.** The Corporation shall have such powers as are permitted to nonprofit corporations under the provision of the Montana Nonprofit Corporation Act, including but not limited to the power to establish Bylaws, make rules and regulations for the management of corporate affairs, and to appoint agents and elect officers as the business of the Corporation may require.

**SECTION 2: Initial Incorporators.** There are seven (7) incorporators at the beginning of this organization. The organizers are: Michael Barsi, Kenneth Brochu, Curtis Friede, Kenneth Kronsperger, Ellen McNulty, Jeffrey Micklitz, and William Swain. The initial Board of Directors shall be comprised of Kenneth Brochu, Kenneth Kronsperger, Ellen McNulty, and William Swain. The address at which the business is to be principally located is Seeley Lake, Missoula County, Montana.

## ARTICLE IV: BOARD OF DIRECTORS POWERS, COMPOSITION AND TERMS

**SECTION 1: Powers.** The property, affairs, activities, legislative functions and concerns of the Corporation shall be vested in a Board of Directors of duly elected qualified individuals. Board positions are filled by qualifying individuals and not by a business, organization or sector of the industry.

- A. The Board of Directors shall only act in the name of the Corporation when it is convened by its President after due notice to all the Directors.

- B. The Board is responsible for developing and maintaining a long range coordinated program of activities to be undertaken by the Corporation. This program will serve as a guide to all committees regarding the areas they are to operate and the extent of their operations within any given period of time.
- C. The Board may delegate to a Board Committee, or to the President, the powers and authority as it may deem necessary or advisable for the conduct of the affairs or to carry out the purposes of the Corporation.

**SECTION 2: Composition.** The initial Board of five (5) Directors will have a maximum of twelve (12) months to appoint the full Board of Directors consisting of no less than five (5) Directors and no more than nine (9) who serve in either an “officer” or “at-large” position. Directors elected shall be a resident of the State of Montana, and a citizen of the United States.

- A. The Board composition will consist of no less than five (5) and no more nine (9) elected members from which the President, Vice President, and Secretary/Treasurer shall serve as officers of the elected Board.
- B. There may be up to six (6) at-large members, duly elected by the Board, and one Director for each special interest group.
- C. The number of Directors may be increased or decreased by amendment to this Bylaw, but no decrease shall have the effect of shortening the term of any incumbent director.
- D. The Directors shall be members of the Corporation for the purpose of exercising all rights reserved to members.
- E. All Directors serve without compensation, regardless of their office.
- F. Directors may be reimbursed for bona fide expenses incurred incident to the business of the corporation.
- G. An Executive Committee is made up of the elected officers and any at-large Board members who have been appointed to the committee by either the President or the elected officers.

**SECTION 3: Terms.** Directors shall be active voting members, in good standing, who have been members of the Corporation for a minimum of one (1) fiscal year. Each member of the Board of Directors shall take office immediately upon adjournment of the meeting at which he/she is elected.

- A. The initial Directors, invited by the incorporators, and including the incorporators, will have terms between one (1) and three (3) years. The purpose of this variation in term length is to establish a rotation of terms that need to be filled, so at no time in the future will there be a board without multiple members with experience. In general, Directors shall serve three-year terms, but are eligible for additional terms.

- B. Terms shall be staggered so only one third of the Board should change in any single year. Directors elected to fill unexpired terms are eligible for additional three-year terms.
- C. Directors shall be invited for appointment. A nominating committee will recommend new Directors based upon the skill sets needed for the upcoming term of office. A simple majority vote of the membership present at the meeting will select the new Directors.
- D. Elections will be held at an annual meeting or at special meetings.

## ARTICLE V: BOARD OF DIRECTORS MEETINGS, QUORUM AND VOTING

**SECTION 1: Meetings.** A meeting of the Corporation's Board of Directors occurs whenever a quorum of the constituent membership of the Board, whether corporal or by means of electronic equipment or devices, gathers to hear, discuss or act upon a matter over which the Board has supervision, control, jurisdiction or advisory power at a Regular, Annual or Special Meeting of the full Board of Directors.

- A. The Board of Directors shall meet no less than once every three (3) months but preferably monthly.
- B. The Board may make such rules and regulations covering its meetings as it may in its discretion determine necessary.
- C. Roberts Rules of Order shall govern the conduct of the meetings.

**SECTION 2: Annual Meeting.** The Board of Directors shall meet annually with the membership of the Corporation and the Board shall set the time and place of the Annual Meeting. The Annual Meeting must occur in the second quarter of the calendar year. Agendas for annual meetings shall be provided no less than ten (10) days in advance of the annual meeting.

**SECTION 3: Special Meetings.** Special Meetings of the Board of Directors may be held at any time and place upon call of the President, or by resolution of the Board of Directors, provided the membership has been given due notice, together with the purpose for calling the special meeting as set forth in these bylaws.

**SECTION 4: Notice of Meeting.** Notice of all meetings of the Board of Directors, including Special Meetings, shall be sent at least seven (7) days prior to the date of the meeting(s).

**SECTION 5: Attendance.** It is the responsibility and mandate of each member of the Board of Directors to attend all meetings of the Board. Any Director not personally attending at least three quarters (3/4) of the official meetings or who fails to attend two (2) official meetings of the Board during the fiscal year may be removed from being a Director of the Corporation. One (1) absence per year is allowed. Any Director not in compliance with attendance requirements will

be notified by the Board President. Should the ability of a conference service be available, a Board member may choose to attend the meeting by conference call, but this option may only be used one (1) time per year and only with extenuating circumstances.

**SECTION 6: Quorum.** A majority of sitting board members, with voting privileges, immediately before a meeting begins, shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**SECTION 7: Voting.** The only voting members of the Corporation shall be the duly elected Directors serving as an “officer” or “at-large” position, and each shall be entitled to one vote at any official meeting of the Board. In order to vote, each Board member must be a current Corporation member. However, the Board of Directors may, by amendment of these Bylaws, provide for additional Board members, whether voting or nonvoting, and the qualifications for such Board members.

- A. All Board members who do not declare a conflict of interest as defined in the Conflict of Interest policy shall vote; votes may be registered as aye (or yes), nay (or no), or pass.
- B. A Director may vote in person or by proxy at any meeting. Proxies, if utilized, must be designated to another Director and may be communicated via electronic media. If the designated Director is unable to attend, the proxy may be transferred to an attending Director by electronic means.
- C. The voting rights to conduct the business of the Corporation shall be vested in the Board of Directors.

**SECTION 8: Actions Without Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such action may be taken by e-mail if an electronic copy of the resolution is printed out, signed, and returned to the Secretary by all Directors. Such consent shall have the same effect as a unanimous vote and shall be placed in the minutes book by the Secretary.

**SECTION 9: Presumption of Assent.** A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the Director’s dissent shall be entered in the minutes of the meeting or unless a written dissent to such action is filed with the person acting as the Secretary of the meeting before the adjournment thereof, or unless such dissent is forwarded by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of such action.

**SECTION 10: Elections.** A quorum of the Board shall annually elect members to the Board and biennially elect officers at an official meeting of the full Board. Board members and officers shall be elected from those nominated by the Nominating Committee. Nominees must follow the Board application process to be considered for nomination.

**SECTION 11: Term of Service.** No Board member can serve more than (12) twelve consecutive years. If the 12th year falls in the middle of a Vice President’s term, the Board member’s term would be extended until the term of President has been completed. Individuals who have served a maximum term may be considered for another term on the Board only after a minimum of one (1) year off the Board.

**SECTION 12: Resignation.** Any Board member may resign at any time by giving written and/or verbal notice to the Corporation. Such resignation shall take effect at the time specified in the resignation; and, the acceptance of this resignation shall not be necessary to make it effective.

**SECTION 13: Vacancy.** The Board of Directors shall fill all Officer or At-Large vacancies that may occur, and the person so chosen shall hold the office for the unexpired term of his or her predecessor. The Board of Directors may elect a successor officer by a majority vote after nominations have been duly received from the Executive and/or Nomination Committee to replace any person who has resigned, refused to serve or is removed from office or who otherwise ceases to be a member of the Board before their current term of office has expired.

**SECTION 14: Removal.** Any Board member may be removed from the Board by a two-thirds (2/3) affirmative vote of the Board for conduct prejudicial to or in conflict with the mission/vision, objectives or reputation of the Corporation as determined by the Board. Before any removal for such conduct, the Board shall hold a meeting to consider the removal. This meeting may be conducted at any regular or Special Meeting of the Board. The Board shall give to the member proposed for removal written notice at least fourteen (14) days prior to the meeting during which the hearing is to be conducted, advising the Board member of the reasons for the proposed expulsion and the time and place of the meeting.

**SECTION 15: Meeting Notices.** All meetings of the Board and its committees shall comply with Montana law as it applies to open public meetings and notice requirements. Notice of Regular Meetings, the Annual Meeting and any Special Meeting shall be sent to the voting Board members and partners at their respective last known electronic email addresses at least fourteen (14) days before such meeting and posted on the Corporation’s website. The meeting agenda for Regular Meetings, the Annual Meeting and any Special Meeting shall be sent to the

voting Board members at their respective last known electronic email addresses at least seven (7) days before such meeting and posted on the Corporation's website. Any items to be voted on must be presented to the Corporation office at least twenty (20) days before the Board meetings to be placed on the agenda.

- A. If notice is given of a regular or special meeting, notice must be given to each Director either personally, by U.S. mail or private carrier, or other form of electronic, wire, or wireless communication by correct address or authenticated electronic identification shown in the Corporation's record of Directors.
- B. If e-mailed, a notice shall be deemed delivered when delivery receipt is received, or an electronic notice of delivery is returned to the sender of the notice. If mailed, a notice shall be deemed delivered at the earliest of (i) five (5) days after deposited in the United States mail, as evidenced by the postmark, if it is mailed postpaid and with the correct postage to the Director, (ii) the date shown on the return receipt if sent by registered or certified mail and the receipt is signed by or on behalf of the Director, or (iii) the date received.

**SECTION 16: Agenda.** Unless otherwise voted by a majority vote of the Board members present, the business at Regular Meetings may include:

- Welcome
- Approval of Minutes
- Special/Guest Presentation
- Reports
- Consent Agenda (if needed)
- Old Business
- New Business
- Public Input on Non-Agenda Items (required)
- Information Exchange

Only those items included in the agenda and that are part of the materials emailed to the Board members may be acted upon at that particular meeting. New business may be introduced without prior notice for the purpose either of Board action at a future meeting, referral to a committee of the Board, or to staff for study or consideration.

**SECTION 17: Compensation.** Board members do not receive financial compensation for their services on the Board or any activities related to Board duties or operations outside of Board meeting related travel expense reimbursements. Board meeting travel reimbursement is determined and reviewed yearly by the Executive Committee and is not guaranteed year to year.

However, nothing herein shall be construed to prevent a Director from receiving any compensation from the Corporation for duties other than as a Director.

The Board of Directors shall hire and fix the compensation of, and define the duties of, any and all employees which they may determine to be necessary for the conduct of the business of the Corporation.

## ARTICLE VI: OFFICERS

**SECTION 1: Number and Appointment.** The Board of Directors shall name the Corporation's officers including a President, Vice-President, and Secretary/Treasurer. Only Directors are eligible to hold office.

**SECTION 2: President.** The President of the Board shall be determined by a vote of the majority of the Board and shall preside over all meetings of the Board of Directors and shall be ex-officio voting member of all committees, except the nominating and audit committees.

The President:

- A. Shall have general supervision of the affairs of the Corporation, over the other officers, and other duties as associated with this office.
- B. Shall assist in overseeing the management of the business affairs of the Board subject to the acts, instructions, and approval of the Board of Directors with the exception of such specific duties and powers as may have been expressly authorized and delegated by the General Laws of Montana.
- C. Shall appoint all committees and work groups, temporary or permanent, with the approval of the Board of Directors.
- D. The President shall cause an annual/biannual financial statement and internal controls audit showing the condition of the business affairs of the Corporation to be prepared and shall make any recommendations relative thereto the Board of Directors at such meeting they shall direct.
- E. Shall see all books, reports and certificates required by law are properly kept or filed and shall have fiduciary responsibility for all aspects of the Corporation.
- F. Shall present an annual report at a designated annual meeting of the Corporation.
- G. Shall be one of five (5) officers who may sign the checks or drafts of the Corporation.
- H. With the advice and consent of the Directors, may engage such staff as may be required to carry out the business of the Corporation and fix the compensation of any and all employees.
- I. Shall have such powers as may be reasonably construed as belonging to the chief executive of any Corporation.



SECTION 3: Vice President. A Vice-President of The Board shall be determined by a vote of the majority of the Directors.

The Vice-President:

- A. Shall assume the duties of the President in the event of the President's absence or inability and will act with all the rights, privileges and powers as if he/she had been duly elected President.
- B. Shall be one (1) of five (5) officers who may sign the checks or drafts of the Corporation.

SECTION 4: Secretary/Treasurer. A Secretary/Treasurer of The Board shall be determined by a vote of the majority of the Directors. The Secretary/Treasurer plays a critical role in fostering communication and ensuring proper management and utilization of important organizational records as well as being charged with overseeing the management and reporting of the Corporation's finances.

- A. Communication. The Secretary shall be an active conduit for communication between the Board, management, and members, by giving proper notice of any meetings and timely distribution of materials such as agendas, meeting minutes, and any communications addressed to her/him as Secretary/Treasurer of the Corporation.

- B. Scheduling, Notice, and Materials.

The Secretary/Treasurer:

1. Is tasked with knowing and strictly complying with notice requirements and scheduling meetings to accommodate the Directors.
2. Is responsible for scheduling Board meetings and should ensure an adequate number of meetings are held per year, in accordance with the Corporation's Bylaws.
3. Prepares and sends meeting materials far enough in advance of the meeting for each director to review such materials, correct any errors, and prepare questions and comments.

- C. Minutes of Meetings. The Secretary/Treasurer shall ensure that the minutes of all meetings of the Board of Directors are accurately recorded and kept, and be aware and sensitive to any special or confidential information discussed at a meeting.

- D. Maintenance of Corporate Records. The Secretary/Treasurer shall be the official custodian of the records of the Corporation and is responsible for maintaining accurate documentation and meeting legal requirements, such as annual filing deadlines or any certificate required by the statute, federal or state. The records of the business of the Corporation shall be safeguarded in the office of the Corporation and another location to be determined by the Secretary/Treasurer.

The Secretary/Treasurer:

1. Shall have a calendar of filing deadlines, which may include a filing with the corporation's Secretary of State, the Attorney General, the state tax agency, and the IRS.
  2. Is responsible for reviewing and updating documents as necessary and ensuring all documents are safely stored and readily accessible for inspection by directors and/or members.
  3. Shall attest by signature all written contracts of the Corporation.
  4. May delegate these responsibilities to administrative staff (if any) as approved by the Board.
  5. The Secretary shall attend to all correspondence of the Corporation and shall exercise all duties incident to the office of Secretary.
- E. Financial Management and/or Oversight. Shall assist in overseeing the management of the financial affairs of the Corporation subject to the acts, instruction and approval of the Board of Directors, including such tasks as selecting a bank, reconciling bank statements, and managing cash flow. She/he shall insure all monies and other valuable assets in the name and to the credit of the Corporation are in such depositories as may be designated by the Board.

The Secretary/Treasurer:

- a. Shall cause to be deposited in a regular business bank or trust company a sum not exceeding \$10,000 and the balance of the funds of the Corporation shall be deposited in a savings bank except that the Board of Directors may cause such funds to be invested in such enterprises consistent with applicable laws. No special fund may be set aside that shall make it unnecessary to sign the checks issued upon it.
- b. Shall be one (1) of five (5) officers who may sign the checks or drafts of the Corporation.
- c. Shall present quarterly reconciled financial reports to the Board of Directors and will review all public and private financial reports submitted with each run of checks, or as often as the Board may require.
- d. Shall be knowledgeable about who has access to the organization's funds and any outstanding bills or debts owed.
- e. Shall create and maintain systems for ensuring the organization's ongoing solvency (including but not limited to check signing authority, expense reimbursement, credit card usage, and petty cash policies) and oversee the development of the organization's financial policies.
- f. Is generally responsible for completing, or ensuring the completion of, required financial reporting forms (including the IRS Form 990) in a timely manner and making these forms available for the Board's review.

g. Shall meet the external auditor and/or the internal auditor once a year, or as requested.

F. Budgets. The Secretary/Treasurer may be responsible for preparing, or facilitating the preparation of an annual budget, as well as regularly monitoring and comparing the actual revenues and expenses incurred against such budget.

**SECTION 5: Election and Term.** Officers are elected biennially by the Board of Directors at the Annual Meeting of the Corporation. The Nominating Committee shall meet and prepare a list of officers to serve for the next three (3) years. The President shall furnish the Nominating Committee a list of members who are eligible to serve. Each proposed candidate shall be contacted by a Nominating Committee member for his or her agreement to become a nominee and to serve, if elected. The Nominating Committee shall submit its official slate of proposed officers and Directors to the members for approval at the Annual Meeting. Notice of this official slate of proposed officers shall be made to each active member no later than five (5) days prior to the date of the Annual Meeting and election. The officers, so elected, shall serve for a term of three (3) years.

**SECTION 6: Resignation.** Any Officer may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect at the time specified and the acceptance of such resignation shall not be necessary to make it effective.

**SECTION 7: Vacancy.** The Board of Directors shall fill all Officer vacancies that may occur, and the person so chosen shall hold the office for the unexpired term of his or her predecessor. The Board of Directors may elect a successor officer by a majority vote after nominations have been duly received from the executive and/or Nomination Committee to replace any person who has resigned, refused to serve or is removed from office or who otherwise ceases to be an Officer of the Board before their current term of office has expired.

**SECTION 8: Removal.** Any Officer of the Board of Directors may be removed as an Officer of the Board by three fourths (3/4) affirmative vote of the Board of Directors. The removal of any Officer shall be without prejudice.

**SECTION 9: Transfer of Records.** All books, monies, Corporate books of resolutions, policies and procedures and records of the Corporation in the possession of any officer in the Corporation shall be transmitted to the successor in office within thirty (30) days of the successor's election or appointment to office.

## ARTICLE VII: COMMITTEES

**SECTION 1: Appointment.** Committees, standing or special, shall be appointed by the Board President annually or as the Board deems necessary to carry on the work of the Board and present recommendations on action items to the full Board. The Board of Directors may provide for the creation and temporary duration of special committees as may be deemed necessary and may determine the selection of Board members and prescribe their duties. The President shall annually appoint members of the Board to each committee. **Committee meetings are not considered meetings of the full Board of Directors.**

**SECTION 2: Standing.** A Standing Committee is a permanent committee that meets regularly. Its members and chair will change from time to time. All standing committee members shall serve for a period of two (2) years, such period to be concurrent with the fiscal year of the club over a period of two (2) years.

- A. Executive. An Executive Committee of the Board shall exist to provide direction, as requested, to the President between Board meetings. This committee shall be appointed by the President with suggested membership composed of, but not limited to, the current President, the Vice President, and the Secretary/Treasurer.  
The Chairperson shall serve as an ex-officio member on all committees.
- B. Nominations. The President shall annually appoint a Nominating Committee and its Chairperson each year that shall be comprised of no more than five (5) people. They shall follow accepted procedure for new Board member recruitment and election of Officers before they submit (either in electronic or written format no less than seven (7) days prior to Annual Meeting) nominations for the Directors to be elected at such Annual Meeting.
- C. Audit. The Audit Committee shall be composed of no less than the number of elected officers of the Board of Directors. Audit Committee members may not receive compensation as consultants for other services.

The Audit Committee:

1. Shall oversee the appointment, compensation, performance and reporting of the independent auditors and see to it that the books of the corporation are audited annually or as requested by a majority vote of the Board at any time.
2. The Audit Committee shall present a copy of the full report of the external auditor to the Board to ensure the Corporation has appropriate accounting policies and procedures in place, shall periodically review corporation financial statements and tax returns and shall ensure appropriate procedures are in place for handling complaints about accounting and internal control matters.

3. Shall report to the membership at the annual meeting of the Corporation (or quarterly, monthly) regarding the results of internal and/or external audits performed throughout the year.
- D. Mountain Bike Mechanized Trails. This Committee includes all mechanized (motorized and non-motorized) for all persons, including those with handicapping conditions.
1. The mission of this committee shall be to promote friendship, comradery and the development of technical skills and fitness through mountain biking and developing trails that are readily accessible to and usable by people with disabilities. The club will promote low impact use of outdoor resources and an attitude of care and stewardship of the Scenic Montana Trails.
  2. At least one elected Board member will be a member of, and run/direct, this committee.
- E. OHV (Off Highway Vehicle) Mechanized Trails. This committee includes ATV's (All Terrain Vehicles), UTV's (Utility Task Vehicles), and Motorcycles.
1. The mission of this committee shall be to establish a positive future for Montana off-highway vehicle recreation by providing beneficial co-operation with agencies that oversee our public lands.
  2. At least one elected Board member will be a member of, and run/direct, this committee.
- F. Snow Mechanized Trails. This committee includes snowmobiles and all mechanized snow travel vehicles.
1. The mission of this committee shall be to stimulate a greater interest in the sport of snowmobiling and the use of all mechanized snow travel vehicles among citizens of the area and visitors to the area.
  2. At least one elected Board member will be a member of, and run/direct, this committee.
- G. Grooming Operations. This Committee shall be responsible for all aspects of grooming operations and manage all financial aspects related to trail grooming for the Corporation in accordance with the State of Montana.
1. The mission of this committee shall be to develop, maintain, and groom snowmobile trails in the SCENIC MONTANA TRAILS system.
  2. At least one elected Board member will be a member of, and run/direct, this committee.

### SECTION 3: All Committees.

Each committee may exercise the specific authority which the Board confers upon the committee in the resolution creating the committee. A committee may not (a) approve the dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Corporation's

assets; (b) elect, appoint, or remove directors or fill vacancies on the Board or on any of its committees; or (c) adopt, amend, or repeal the Articles of Incorporation or Bylaws.

- A. All officers, committee chairs, committee members and directors shall be members in good standing of the Corporation during the tenure of their position.
- B. Each committee must have two or more members who serve at the pleasure of the Board and are subject to annual review by the Board.
- C. Committees may act independently in accomplishing their goals outlined for the committee and are restricted to funds approved by the Board of Directors.
- D. Committees shall keep regular minutes of their proceedings and report the same to the Board.
- E. If a committee has less than five (5) members then a majority of the committee members shall represent a quorum.
- F. Committees are subject to all procedural rules governing the operation of the Board itself.

**SECTION 4: Ad Hoc Workgroups.** These workgroups are created to serve a single purpose and once that purpose is complete, the work group is dissolved. The parameters by which each workgroup operates and the authority it is given will be specified by the Board. Workgroups come from the membership and will make recommendations to the Board for action to be taken on behalf of the organization. Ad Hoc workgroup members may act independently in accomplishing the goals outlined for their workgroup and are restricted to funds approved within the workgroup's budget.

## ARTICLE VIII: ADMINISTRATOR

**SECTION 1: Duties.** The Administrator of the Corporation shall be appointed by the Board and shall be charged with the general supervision and management of the business affairs of the Corporation.

The Administrator:

- A. Shall be the Operations administrator and shall be charged with initiating and implementing the marketing plan, budget and related projects, the general supervision over employees, including their duties and compensation in conformity with the policies approved by the Board.
- B. Shall coordinate the agendas and minutes of the Board meetings, keep other records as the Board may direct, and perform such other duties as may be prescribed by the Board, these Bylaws, or by law.
- C. Shall so manage the affairs of the Corporation as to promote the objectives for which the Corporation is organized.

**SECTION 2: Authority.** Within the constraints of the approved Budget, the Administrator, together with the Executive Committee, shall have the authority to hire such staff as may be needed to delegate the duties of the Administrator and is necessary for the operation of the business of the Corporation. The Administrator, together with the Executive Committee, shall have the authority to administer corrective discipline and/or discharge employees as necessary for the good of the Corporation, set office hours, and establish salaries and duties of the employees.

**SECTION 3: Reporting.** The Administrator will ensure that the Board of Directors and its committees are regularly updated on the Corporation's strategic plan, budget, membership, marketing and personnel activities.

**SECTION 4: Compensation.** The Administrator shall receive such compensation as shall be set by the Board of Directors and the position annually or as specified in a written and executed employment contract. The Executive Committee shall conduct a performance review of the Administrator annually. The review shall be conducted by the President and at least one other member of the Executive committee of the Board which is assigned the task by the President. Compensation and benefits will be based on like nonprofit organizations and are to be reviewed and negotiated yearly or by terms of contract.

**SECTION 5: Resignation or Removal.** In the event an Administrator is unable to perform these duties, the approved Administrator Succession Plan will be implemented.

## **ARTICLE IX: AMENDMENTS**

The Board of Directors shall have the power to make, alter, amend and repeal the Bylaws of the Corporation by affirmative vote of the majority (>50%) of the Board at any regular or Special Meeting, provided that the proposed action is inserted in the notice of such meeting.

(Amendments will be listed, as they occur, at the end of these bylaws.)

## **ARTICLE X: AGENTS AND REPRESENTATIVES**

The Board of Directors may appoint such agents and representatives of the Corporation with such powers and to perform such acts or duties on behalf of the Corporation as consistent with these Bylaws, to the extent authorized or permitted by law.

## ARTICLE XI: CONTRACTS

The Board of Directors, except as in these Bylaws otherwise proved, may authorize any officer or agent/representative to enter into any contract, or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniary for any purpose or to any amount.

## ARTICLE XII: PROHIBITING AGAINST SHARING IN CORPORATION EARNINGS

No member, Director, Officer, or employee of, or member of a committee of, or person in connection with the Corporation shall receive at any time any of the net earnings pecuniary profit from the operations of the Corporation, provided, that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the Corporation's assets upon the dissolution of the Corporation.

All members of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors, shall be distributed, transferred, conveyed, delivered, and paid over exclusively to such organization or organizations as the Board of Directors may designate and which shall be organized and operating exclusively for charitable, education, religious or scientific purposes and at the time qualify as an exempt organization or organizations under Section 501 of the Internal Revenue Code of 1954 as it now exists or may hereafter be amended, including, without limitation, local or regional Chambers of Commerce or similarly qualified organizations.

## ARTICLE XIII: INVESTMENTS

The Corporation shall have the right to retain all or any part of any securities or property held by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a Director is or may hereafter be permitted by law to make or any similar restriction; provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited



transaction or would result in the denial of the tax exemption under the Internal Revenue Code and its regulations as they now exist, or as they hereafter may be amended.

## ARTICLE XIV: EXEMPT ACTIVITIES

Notwithstanding any other provision of these Bylaws, no member, Director, Officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under the Code.

## ARTICLE XV: FINANCES

**SECTION 1: Fiscal year.** The fiscal year of the Board shall be from January 1 to December 31, unless otherwise established by the Board.

**SECTION 2: Payments.** All payments, except from the petty cash account or by such approved electronic means, shall require dual signatures. Two (2) officers, from the Board of Directors, will sign the checks or drafts of the organization.

**SECTION 3: Dues and budget.** The Board of Directors shall have the right to structure dues and provide guidance on the annual budget and marketing plan.

**SECTION 4: Annual audit.** The Board of Directors shall ensure that an annual independent audit or review is completed for all accounts. The audit shall be reviewed and accepted by the Board of Directors.

## ARTICLE XVI: LIABILITY

**SECTION 1: Partners of the Corporation.** Nothing herein shall constitute partners of the Corporation as partners for any purpose. No partner, Officer, Director, agent or employee of the Corporation shall be liable for the acts or failure to act on the part of any Officer, Director, partner, agent or employee of the Corporation; nor shall any partners, Officers, Directors, agents or employees be liable for their acts or failure to act under these Bylaws, except for actions or failures to act arising out of their willful misfeasance.

**SECTION 2: Directors of the Corporation.** The liability of Directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under Montana law. Any

amendment, repeal or modification of the provisions herein shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such amendment, repeal or modification. Appropriate general and professional liability insurance shall be maintained for the Board and Corporation staff.

### SECTION 3: Indemnification of Agents and Representatives.

(a) The Corporation shall indemnify each director and each officer who was or is party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he/she/they is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself create a presumption that the person did not in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify each director and each officer who was or is a party or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Corporation as a director or officer of another Corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such director or officer shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought or such judgment rendered shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such director or officer is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a person who is or was a director or officer of the Corporation, or of any other Corporation, partnership, joint venture, trust or other enterprise with which he is or was serving in such capacity at the request of the Corporation, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs (a) and (b) of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification's under paragraphs (a) and (b) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable or, even if obtainable but a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the non-director members.

(e) Expenses incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding, director or officer in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he shall be indemnified by the Corporation.

(f) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a director or officer seeking indemnification may be entitled under any statute, provision in the Corporation's Articles of disinterested directors and otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, personal representative, and successors of such a person.

(g) The invalidity or unenforceability of any provision in this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

## ARTICLE XVII: INTERESTED DIRECTORS AND OFFICERS

No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other

organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee thereof which authorizes the contract or transaction, or solely because his or her, or their votes are counted for such purpose, if:

(a) The material facts as to his/her or their interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(b) The material facts as to his/her or their interest and as to the contract or transaction are disclosed or are known to the members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the members; or

(c) The contract or transaction is fair as to the Corporation as of the time it is authorized approved or ratified by the Board of Directors, a committee thereof, or the members. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

## ARTICLE XVIII: PREVAILING LAW

In the event of a conflict between any of the provisions or terms of these procedures and the provisions or terms of the Act or the Code, the provisions or terms of the Act, shall prevail unless such terms would violate any provision of the Code applicable to the Corporation.

## ARTICLE XIX: DISSOLUTION

In the Event the Corporation is dissolved, or ceases to conduct activities, then the assets of the business shall be distributed in a manner consistent with the Code and the Act, and no asset shall be distributed in any manner that would violate any private benefit or private inurement provisions of the Code or Act. The provisions shall govern and control any dissolution of the Corporation.

## ARTICLE XX: MEMBERSHIP

The membership of the Corporation shall include: the current Board of Directors, Program Leaders, and the Membership. Members in good standing shall be entitled to vote on items determined by the Board of Directors. **All memberships are non-transferable.**

**SECTION 1: Membership in the Corporation.** Membership shall consist of five (5) classes of members. The qualifications, rights, and privileges of each class shall be as follows.

- A. Individual Members. Individual Members shall consist of any individual, eighteen (18) years or older, interested in the Corporation's purposes and programs. Each qualified Individual Member shall have one (1) vote on any matter submitted to a vote of the members and receive publications of the Corporation.
- B. Family Members. Family Members shall consist of an individual, spouse and/or dependents (under 19 years of age), residing at the same address. All members of the family shall receive publications of the Corporation. A Family Membership shall be entitled to two(2) votes; provided that (a) only family members 18 years or older may vote, and (b) at least two family members are in attendance at the meeting at which such vote takes place.
- C. Business Members. Business Members shall consist of any business organization interested in the Corporation's purposes and programs. Business Members shall receive publications of the Corporation. For all purposes, including but not limited to voting and determining the presence of a quorum, the Business collectively is entitled to two (2) votes in the name of the Business provided that (a) only business members 18 years or older may vote, and (b) at least two (2) business members are in attendance at the meeting at which such vote takes place.
- D. Honorary Life Individual and Honorary Life Family Members. The Board of Directors may confer Honorary Life Individual or Honorary Life Family recognition to any member or former member of the Corporation that have, by their act or position, have shown outstanding service and commitment to the betterment of the Corporation and its purposes. Honorary Life Individual and Honorary Life Family Members shall receive all publications of the Corporation. An Honorary Life Individual Member shall be entitled to one (1) vote. Honorary Life Family Members shall be entitled to two (2) votes; provided that (a) only family members eighteen (18) years or older may vote, and (b) at least two (2) family members are in attendance at any meeting at which such vote takes place.
- E. Lifetime Family Membership. Lifetime Family Members shall consist of an individual, spouse and/or dependents (under 19 years of age), residing at the same address, interested in the Corporation's purposes and programs. All members of the family shall receive publications of the Corporation. Each qualified Individual Member shall have one (1) vote on any matter submitted to a vote of the members and receive all publications of the Corporation. A Family Membership shall be entitled to two (2) votes; provided that

(a) only family members 18 years or older may vote, and (b) at least two family members are in attendance at the meeting at which such vote takes place.

**SECTION 2: Application and Admission of Members.** Membership in the Corporation shall be open to any person or organization interested in advancing the purposes of the Corporation, willing to take an active part in advancing the purposes of the Corporation, and paying the required dues. There shall be no limit on the number of members.

- A. No person or entity shall be admitted as a member until each of the following conditions have been met: (a) the applicant provides all information required by the Corporation and demonstrates to the satisfaction of the Corporation that the applicant satisfies the membership eligibility criteria established from time to time by the Board of Directors, and (b) the applicant pays the applicable dues.
- B. Subject only to limitations placed on the Corporation by applicable law, the Board of Directors (either directly or through its Membership Committee) shall retain sole discretion to admit new Members and to establish and modify eligibility and admission criteria.

**SECTION 3: Dues.** Every member or entity admitted to membership in the Corporation shall pay annual dues, in advance, at the applicable rates and criteria established by the Board of Directors.

- A. Dues shall remain fixed until changed by resolution of the Board of Directors if it deems changes necessary due to the financial obligations of the Corporation.
- B. In the case of resignation of membership, dues are non-refundable unless expressly authorized by the Board.
- C. Dues shall be paid annually upon notice from the Treasurer. A member is no longer in good standing if dues are delinquent.
- D. Lifetime and Honorary Members are excluded from annual dues.

**SECTION 4: Votes Required for Action.**

- A. Only members in good standing who have been members of the Corporation for more than sixty (60) consecutive days may vote. Votes of members having voting rights must be cast in person at a meeting of the members at which a quorum is present. Proxies are prohibited.
- B. Unless otherwise specifically stated in these Bylaws, a majority of votes present and entitled to be cast constitutes an action of the members.
- C. Each Business Member shall designate the person entitled to exercise its voting rights each year in the space so provided on its membership application or annual membership

renewal form. Such designation shall remain in effect until revoked or amended by written notice provided to the Corporation.

1. If a Business Member fails to designate a person to exercise its voting rights for any then-current membership period, that Member's voting rights shall be conclusively presumed to have vested in the following persons, in the following order of priority: (a) the person most recently designated by the Member, (b) the Member's most senior member of the Member's Board of Directors, or (c) the Member's highest-ranking officer or manager.

#### SECTION 5: Term of Membership.

The term of membership shall be one (1) year.

#### SECTION 6: Membership Removal and Resignation.

- A. Any member of this corporation may be removed or expelled from membership by a two thirds (2/3) majority vote of the Board after finding a lack of sympathy with, or because of covert acts contrary to the purpose and objectives of this Corporation.
- B. No member shall be removed or expelled until furnished with a written statement of reasons for proposed expulsion and the opportunity for an informal hearing before the Board to rebut the stated reasons for expulsion.
- C. Reasons for such expulsion could include, but are not limited to: (1) unsafe or reckless mechanized vehicle use; (2) excessive alcohol use contributing to unsafe mechanized vehicle use, disorderly conduct and/or disruption of Corporation events; (3) violating State Law/Forest Land regulations regarding mechanized vehicle use or land/road access while operating a mechanized vehicle during Corporation rides or events.
- D. Nonpayment of dues shall cause membership to lapse, without prejudice to future application; unless non-payment of dues is a continual occurrence at which time membership in the club may be revoked by the Board.
- E. A member may resign by filing a notice of resignation with the Secretary of the Corporation. Under this circumstance, dues will not be prorated.

#### SECTION 7: Membership Meetings.

- A. General Membership Meeting is a meeting of the Corporation's members and the Board of Directors. The meeting is conducted as per the will of the Board. General meetings of the members shall be held monthly unless otherwise specified by the Board.
- B. Annual Membership Meeting. The Board of Directors shall set the time and place of the annual meeting of the membership of this Corporation.
  1. The Secretary of this Corporation shall cause to provide notice to every member in good standing, at his/her address as it appears in the organization's membership roll book, a notice telling the time and place of such annual meeting.

2. The purpose of the annual meeting shall be to update all members of the business of the Corporation for the past year, all current business dealings, and reasonably anticipated future business of the Corporation.
- C. Special Membership Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors; or in the President's absence, by another officer acting as President. Special meetings of the membership shall be called by the President upon receipt of written request from ten percent (10%) of the active voting members of the Corporation.

**SECTION 8: Notice of Membership Meetings.** Written notice of membership meetings other than regular meetings may be communicated in person, facsimile, or other form of electronic, wire, or wireless communication, or by mail or private carrier to the correct address or authenticated electronic identification, as provided by Montana law, as shown in the Corporation's record of members.

**SECTION 9: Attendance.** If approved by the Board, members may participate in a meeting of the members by means of a conference telephone call or similar remote communication, which shall constitute presence in person at a meeting.

- A. Remote communication shall include communication made by conference telephone call, internet, electronic, remote technology, or similar communication through which all participants in the meeting have the opportunity to read or hear the proceedings substantially concurrent with their occurrence, vote on matters submitted to the members, pose questions, and make comment.

**SECTION 10: Quorum.** At all membership meetings of the Corporation, a quorum shall consist of ten percent (10%) voting members in attendance.

**SECTION 11: Voting Matters.**

- A. Officers shall be elected at the general membership meeting. Board members, other than the officers, shall be elected at the general membership meeting and shall be elected from a slate presented by the Board of Directors and any additional individuals nominated from the floor at the meeting.
  1. To be eligible for election as a Director, an individual must (a) be 18 years or older; (b) be in good standing with dues paid; and (c) have been a member of the Corporation for a minimum of one (1) full fiscal year.
- B. At least one (1) month before the general meeting, the President shall appoint an Officer Nominating Committee Chairman. The Committee Chairman shall select at least one (1) other member in good standing of the Corporation for the committee.



1. At least two (2) weeks before the general meeting, the Officer Nominating Committee shall present the membership with a list of nominees for the Board of Directors.
  2. This list of nominees shall be provided by mail or electronic technology as well as in the official publication of the Corporation.
- C. Voting shall be by memberships present at a meeting.
1. Voting for Directors shall be by secret ballot when there is more than one candidate for the position.
  2. Voting on all other questions presented to the membership shall be by a show of hands representing the attending membership with eligible voting privileges.
- D. Action by written ballot.
1. Any action requiring member approval that may be taken at a meeting of the members may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter and conducts the vote in accordance with Montana law.
  2. A written ballot must set forth each proposed action, and provide an opportunity to vote for or against each proposed action.
  3. The Corporation may deliver a written ballot by electronic communication as long as a member gives consent.
  4. Consent by a member to receive notice by electronic communication in a certain manner constitutes consent to receive a ballot by electronic communication in the same manner.

## ARTICLE XXI: NON-DISCRIMINATION POLICY

This Corporation does not discriminate on the basis of race, color, religion, gender, age, disability or national origin.

## ARTICLE XXII: FAIRNESS

No set of Bylaws can cover all circumstances. In the event of an issue arising, which is not covered by these bylaws, the issue will be decided upon consistent with the purposes of the Corporation, on the basis of fairness, common sense, and for the public good.

## CODE OF ETHICS

### ARTICLE I: INTRODUCTION

As a matter of fundamental principle, the nonprofit and philanthropic community should adhere to the highest ethical standards because it is the right thing to do. As a matter of pragmatic self-interest, the community should do so because public trust in our performance is the bedrock of our legitimacy. Donors and volunteers support charitable organizations because they trust them to carry out their missions, to be good stewards of their resources, and to uphold rigorous standards of conduct.

Scenic Montana Trails Corporation must earn this trust every day and in every possible way. But organizations are, at base, people, and it is up to the people of the independent sector—board members, executive leaders, staff, and volunteers—to demonstrate their ongoing commitment to the core values of integrity, honesty, fairness, openness, respect, and responsibility.

The independent sector comprises a diverse array of organizations large and small, those that make grants and those that raise funds from the public, those that operate at the community and national level and those that work outside the United States. That diversity is one of the abiding strengths of our sector. Undergirding this diversity, however, must be a common set of ethical standards. As a Corporation in the independent sector, we have a formally adopted code of ethics with which all of our trustees, staff and volunteers are familiar and to which they adhere.

Adherence to the law is the minimum standard of expected behavior. Nonprofit and philanthropic organizations must do more, however, than simply obey the law. We must embrace the spirit of the law, often going beyond legal requirements and making sure that what we do is matched by what the public understands about what we do. Transparency, openness and responsiveness to public concerns must be integral to our behavior.

### ARTICLE II: STATEMENT OF VALUES

Any code of ethics is built on a foundation of widely shared values. The values of the Scenic Montana Trails Corporation include:

- Commitment to the public good
- Accountability to the public
- Commitment beyond the law

- Respect for the worth and dignity of individuals
- Inclusiveness and social justice
- Respect for pluralism and diversity
- Transparency, integrity and honesty
- Responsible stewardship of resources
- Commitment to excellence and to maintaining the public trust

These values inform and guide the actions that Scenic Montana Trails Corporation will take in developing our policies and informing our practices.

### ARTICLE III: PERSONAL AND PROFESSIONAL INTEGRITY

All staff, board members and volunteers of the Corporation act with honesty, integrity and openness in all their dealings as representatives of the Corporation. The Corporation promotes a working environment that values respect, fairness and integrity.

### ARTICLE IV: MISSION

The Corporation has a clearly stated mission and purpose, approved by the Board of Directors, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of the Corporation understand and are loyal to that mission and purpose. The mission is responsive to the constituency and communities served by the organization and of value to the society at large.

### ARTICLE V: GOVERNANCE

The Corporation has an active governing body that is responsible for setting the mission and strategic direction of the Corporation and oversight of the finances, operations, and policies of the organization. The governing body:

- Ensures that its board members or trustees have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the Corporation and its public purpose.
- Has a conflict of interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means.
- Is responsible for the hiring, firing, and regular review of the performance of the Administrator.
- Ensures that the compensation of the Administrator is reasonable and appropriate.

- Ensures that the Administrator and appropriate staff provide the governing body with timely and comprehensive information so that the governing body can effectively carry out its duties.
- Ensures that the organization conducts all transactions and dealings with integrity and honesty.
- Ensures that the organization promotes working relationships with board members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness and openness.
- Ensures that the organization is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions.
- Ensures that policies of the organization are in writing, clearly articulated and officially adopted.
- Ensures that the resources of the organization are responsibly and prudently managed.
- Ensures that the organization has the capacity to carry out its programs effectively.

#### ARTICLE VI: LEGAL COMPLIANCE

The Corporation is knowledgeable of and complies with all laws, regulations and applicable international conventions.

# CODE OF CONDUCT

## ARTICLE 1: DEFINITION AND PURPOSE

A fundamental factor in the successful operation of Scenic Montana Trails Corporation is the maintenance of sound and harmonious work relationships among Board members. These relationships are subjected daily to a variety of stresses. Conflict is inevitable and is a healthy and acceptable step in the process of testing and vetting ideas. Respect for the individual and the organization must always be at the forefront of all conversations. The Corporation's Board of Directors developed this Code of Conduct, based on the tools needed for teamwork, as a guide for establishing sound relationships to help maintain an environment of trust, mutual respect and support.

All employees and Board members will support the Corporation's efforts to sustain and improve the quality of place for the public good and well-being of all and to guide our actions in business, we hereby promise to abide by the Corporation's Code of Conduct that values the following.

## ARTICLE II: STATEMENTS OF COMPLIANCE

Maintain loyalty to the Corporation and discharge responsibilities with dedication to achieve the objectives of the Corporation.

**Be patient and courteous.**

**Be inclusive.** We welcome and support people of all backgrounds and identities. This includes, but is not limited to members of any sexual orientation, gender identity and expression, race, ethnicity, culture, national origin, social and economic class, educational level, color, immigration status, sex, age, size, family status, political belief, religion, and mental and physical ability.

**Be considerate.** We all depend on each other to produce the best work we can as a Corporation. Your decisions will affect clients and colleagues, and you should take those consequences into account when making decisions.

**Be respectful.** We won't all agree all the time, but disagreement is no excuse for disrespectful behavior. We will all experience frustration from time to time, but we cannot allow that frustration to become personal attacks. An environment where people feel uncomfortable or threatened is not a productive or creative one.

**Choose your words carefully.** Always conduct yourself professionally. Be kind to others. Do not insult or put down others. Harassment and exclusionary behavior aren't acceptable. This includes, but is not limited to: Threats of violence, discriminatory jokes and language, sharing sexually explicit or violent material via electronic devices or other means, personal insults - especially those using racist or sexist terms, unwelcome sexual attention, advocating for, or encouraging, any of the above behavior.

**Repeated harassment of others.** In general, if someone asks you to stop something, then stop. When we disagree, try to understand why. Differences of opinion and disagreements are mostly unavoidable. What is important is that we resolve disagreements and differing views constructively.

**Our differences can be our strengths.** We can find strength in diversity. Different people have different perspectives on issues, and that can be valuable for solving problems or generating new ideas. Being unable to understand why someone holds a viewpoint doesn't mean that they're wrong. Don't forget that we all make mistakes, and blaming each other doesn't get us anywhere.

Instead, focus on resolving issues and learning from mistakes.

### ARTICLE III: ACCEPTANCE AND ADHERENCE

Acceptance as a Board member of the Corporation implies that you fully understand and agree to the terms of the Code of Conduct. Adherence to this code assures those associated with the Corporation that the Corporation Board members and staff constantly strive to achieve and maintain the highest standards of professionalism and integrity. Deliberate and intentional violation could subject you to censure and possible suspension.

Each Board member will sign a single copy of the Code of Conduct annually at the first Board meeting of the fiscal year. New Board members will sign the Code of Conduct upon appointment.

### ARTICLE IV: COMPLAINTS

It is the policy of the Corporation to investigate all complaints that a member has acted in contravention of the Corporation's Code of Conduct. Engagement by partner businesses or their employees in acts of impropriety or the appearance of impropriety or in any conduct that might

adversely affect the well-being and reputation of the Corporation or prove detrimental to the goals of the Corporation.

If it is determined that a partner has so acted, position on the Board and partnership in the Corporation may be removed in accordance with our Bylaws: Article V, Section 14, which states:

*Any Board member may be removed from the Board by a two-thirds (2/3) affirmative vote of the Board for conduct prejudicial to or in conflict with the mission/vision, objectives or reputation of the Corporation as determined by the Board. Before any removal for such conduct, the Board shall hold a meeting to consider the removal. This meeting may be conducted at any regular or Special Meeting of the Board. The Board shall give to the member proposed for removal written notice at least fourteen (14) days prior to the meeting during which the hearing is to be conducted, advising the Board member of the reasons for the proposed expulsion and the time and place of the meeting.*

Failure to fulfill the responsibilities as a Director will be deemed as a resignation from the Board of Directors.

## FINANCIAL AUDIT POLICY

The Corporation will conduct a yearly financial statement and internal controls audit or financial statement review as determined by the full Board. The audit or review will be conducted by an independent certified public accountant not already associated with our financial services vendor for payroll, taxes and 990 filings.

The Audit Committee will select and oversee the auditor and evaluate the annual review or audit. The Audit Committee will be made up of Board members who are free from conflicts of interest. The full Board will approve the annual review or audit.

The Audit Committee will make every effort to review and submit for approval to the full Board the 990 tax form prior to filing with the Internal Revenue Service (IRS). If time does not allow for full Board approval prior to filing, the Executive Committee will approve and a copy of the 990 form will be submitted for approval by the full Board at the next general meeting.

The auditor selected to perform the review or audit will be an outside independent certified public accountant (CPA) that does not perform any regular bookkeeping or financial services to the Corporation. The Corporation will make every effort to rotate auditors by conducting a formal request for proposal (RFP) every seven (7) years. The auditor will avoid any conflict of interest in staff exchange between auditing and Corporation personnel. The auditor is required to disclose to the Audit Committee any critical accounting policies and practices.

The internal financial safeguards that are in place are reviewed by the Executive Committee that regularly reviews our financial statements and other financial records, including bank account reconciliations. This committee reports to the full Board. As a basic policy all check payments require two (2) signatures by elected officers. All online payments must be reviewed and approved by one or more elected officers.



# CONFLICT OF INTEREST POLICY

## ARTICLE I: PURPOSE

The purpose of the conflict of interest policy is to protect this tax-exempt Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the personal interest of an officer or director of the Corporation 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 not-for-profit Corporations.

Whenever a director or officer has a financial or personal interest in any matter coming before the Board of Directors, the affected person shall (a) fully disclose the nature of the interest and (b) withdraw from discussion and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of the disinterested directors determine that it is in the best interest of the Corporation to do so. The minutes of the meeting at which such votes are taken shall record such disclosure, abstention and rationale for approval.

## ARTICLE II: DEFINITIONS

### SECTION 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.

### SECTION 2: Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

## ARTICLE III: PROCEDURES

### SECTION 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 members of committees with governing Board delegated powers considering the proposed transaction or arrangement.

### SECTION 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/they 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.

### SECTION 3: Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he/she/they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. 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.
3. After exercising due diligence, the governing Board or committee shall determine whether the Corporation 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.
4. 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 the Corporation'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.

### SECTION 4: Violations of the Conflicts of Interest Policy

1. If the governing Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, the Board shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. 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.
3. Disciplinary and corrective action shall be at minimum documentation of conflict of interest violation in the minutes and/or removal from the Board.

## ARTICLE IV: RECORDS OF PROCEEDINGS

**SECTION 1: Minutes.** The minutes of the governing Board and all committees with Board delegated powers shall contain:

1. 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.
2. 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.

## ARTICLE V: COMPENSATION

1. A voting member of the governing Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## ARTICLE VI: ANNUAL STATEMENTS

SECTION 1: Statement of understanding. Each director, principle officer and member of a committee with governing Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Corporation is not-for-profit 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.

## ARTICLE VII: PERIODIC REVIEWS

To ensure the Corporation operates in a manner consistent with not-for-profit 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Partnerships, joint ventures, and arrangements with management Corporations must conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further not-for-profit purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## ARTICLE VIII: USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII (above), the Corporation 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. Leadership will ensure all Board members participate in annual governance training specific to conflict of interest.

# DOCUMENT RETENTION AND DESTRUCTION POLICY

## ARTICLE 1: PURPOSE

This policy specifies how important documents (hardcopy, digital or other media) should be retained, protected and eligible for destruction. The policy also ensures that documents are promptly provided to authorities in the course of legal investigations or lawsuits.

**SECTION 1: Purpose for maintaining records.** The Corporation recognizes the importance of maintaining records for many reasons, including, but not limited to, the following:

1. Maintain a record of the legal structure of the Corporation.
2. Document Board and Board committee membership, decisions and activities.
3. Document membership, membership votes and other activities related to involvement of members in the governance of the Corporation.
4. Maintain a list of nonvoting affiliates.
5. Maintain Corporation policies - both Board and administrative policies.
6. Allow the Corporation to demonstrate effective pursuit of its mission, to evaluate the success of its programs and to determine whether the Corporation is achieving desired results.
7. Maintain a record of federal and state tax filings and important supporting information.
8. Maintain a record of financial statements and budgets and important supporting information, to monitor budgetary and financial results and activities, and to identify sources of receipts.
9. Identify all donations and grants and to maintain required documents.
10. Maintain personnel and employment records.
11. Maintain records of all contracts or other documents creating legal obligations or potential legal liabilities, including insurance contracts, vendor contracts, personal services contracts, leases and other property related contracts, as well as notices of any legal processes involving the Corporation or of any government investigations.

**SECTION 2: Goal.** The Corporation’s goal is to maintain such documents for a time period defined at a minimum by law, but otherwise for as long as such documents create an important historical record of the Corporation’s activities or may be relevant to the Corporation’s business needs, legal obligations, or any litigation or investigation.

## ARTICLE II: METHOD OF RETENTION

SECTION 1: *Maintaining records.* The Corporation may maintain records in digital form or paper or in any other safe and reliable manner.

SECTION 2: *Storage security.* Records shall be stored in a secure location, which may be in the Corporation's offices or in a digital cloud storage, physical storage facility or other location.

SECTION 3: *Storage location.* The Corporation shall maintain a record of where records are stored or located so that they may be accessed within a reasonable period of time.

## ARTICLE III: DOCUMENT DESTRUCTION INCLUDING PROHIBITION ON DOCUMENT DESTRUCTION

SECTION 1: Documents not covered by this policy shall be destroyed when no longer useful to the Corporation and the files of the Corporation should be periodically culled of such documents.

SECTION 2: Documents covered by this policy must be maintained for the period established in this policy, at a minimum, but may be maintained for a longer period of time.

SECTION 3: Documents may not be destroyed and must be preserved and not altered in any manner if the Corporation knows or has been informed that they may be relevant to an investigation by any government entity or to litigation or potential litigation.

## ARTICLE IV: ADMINISTRATOR'S AUTHORITY

SECTION 1: The Corporation's Administrator is authorized and directed to take steps to reasonably implement this policy and shall report to the Board on any issues, resource constraints, or concerns related to adequate implementation of this policy.

SECTION 2: The Corporation's Administrator shall notify the Board, or the Audit Committee of any additional document retention requirements mandated by law that should be added to this policy, and is directed to implement such requirements, even if not included in this policy.

SECTION 3: The Corporation's Administrator may, by administrative policy and without Board authorization, create additional document retention requirements, as long as such requirements are not more restrictive than this policy.

SECTION 4: Documents that must be maintained and retention periods:

Legal Structure of the Corporation	Retention Period
Articles of Incorporation and any amendments	Permanently
Annual filing with the Secretary of State	Permanently
Bylaws and any amendments	Permanently
IRS Form 1023 and amendments	Permanently
IRS letter recognizing Commission's tax exempt status	Permanently
Board and Board committee membership, decisions and activities	Retention Period
Minutes of Board and standing committee meetings	Permanently
Financial statements and budgets approved by the Board or any committee of the Board	Permanently
List of Board members, contact information, and their terms	Permanently
Periodic reviews of Board effectiveness conducted by the Board, a committee of the Board, a consultant, or management	15 years
Board resolutions, including banking resolutions, should be maintained as part of the minutes	Permanently
Annual Conflict of Interest disclosure statements	10 years after director is no longer on the Board
Partnership, partnership votes and other activities related to involvement of partners in the governance of the Corporation	Retention Period
List of nonprofit partners, dates of partnership, basic description of the partner, and contact information	Permanently
Minutes of annual or special partnership meetings	Permanently
Notices sent to partnership related to governance functions	Permanently
Record of attendance at annual or special partnership meetings	Permanently
Activities of partners under the Bylaws, including requests for governance actions	Permanently
Proxy statements or other evidence of authority of a person to vote for any nonprofit member	5 years after no longer effective
Record of partnership fees paid by each nonprofit member	10 years
Non-voting affiliates	Retention Period
List of non-voting affiliates, dates of affiliation, and contact information	Permanently
Record of fees paid by each non-voting affiliate	10 years
Corporation's policies - both Board and administrative policies	Retention Period
Board policies, including record of effective dates, amendments and revisions	Permanently

Administrative policies, including record of effective dates, amendments and revisions	5 years after last effective date
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Documents that demonstrate effective pursuit of the Corporation’s mission, evaluate program success and determine whether the Corporation is achieving desired results.	Retention Period
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Strategic planning documents approved by the Board	15 years after end of effective period
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Board, Board committee, management reviews or evaluations of the Corporation’s projects	15 years
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Consultant’s reports on core Corporation projects	15 years
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Program files on Corporation programs	10 years for major projects involving more than \$25,000 during any fiscal year as determined by the Administrator for other programs
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Financial statements, budgets, tax returns and important supporting information	Retention Period
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Federal and state annual tax returns and any amendments	Permanently
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Business records that support federal and state annual returns	10 years
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Financial reviews by outside CPAs or audited financial statements of the Corporation	Permanently
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Documents that establish the Corporation’s sources of receipts for tax and other purposes	10 years
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*Note: All other significant documents related to the budget and financial results and activities should be part of the minutes of the Executive Committee, Audit Committee or the Board.*

Grants	Retention Period
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Records shall be kept as required by any grant document, but shall include the names and contact information of the grantee, any limitations on use, and disbursements.	Permanently
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Other	Retention Period
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Personnel and employment records	10 years after termination
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Contracts or other documents creating legal obligations or potential legal liabilities, including insurance contracts, vendor contracts, personal services contracts, leases and other property-related contracts as well as notices of any legal processes involving the Corporation or of any government investigations.	10 years after termination
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## WHISTLEBLOWER POLICY

### ARTICLE I: INTRODUCTION

SECTION 1: The Corporation requires directors, officers, employees, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Corporation, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### ARTICLE II: REPORTING RESPONSIBILITY

SECTION 1: It is the responsibility of all directors, officers, employees, and volunteers to comply with Corporation policies and to report violations or suspected violations of the law in accordance with this policy.

### ARTICLE III: NO RETALIATION

SECTION 1: No director, officer, employee, or volunteer, who in good faith reports a violation of the law, shall suffer harassment, retaliation, or adverse employment consequence even if the report is mistaken, or against any employee or individual who assists in the investigation of a reported violation. An employee, officer or director who retaliates against someone who has reported a violation of the law in good faith is subject to disciplinary action up to and including termination of employment or removal from the Corporation. This Whistleblower Policy is intended to encourage and enable employees and others to raise concerns about illegal or unethical activity within the Corporation.

### ARTICLE IV: REPORTING ALLEGED VIOLATIONS

SECTION 1: Officers, directors, and employees are expected to report suspected violations of Corporation policies or illegal activities to the Administrator or the Corporation President. If either is alleged to be in violation of the law, then the report should be submitted to the Chairperson of the Audit Committee. A submitted report will be investigated by the Audit Committee with assistance from the President and the Administrator. If legal council is needed, it will be engaged at that time by the Administrator. The Audit Committee is authorized to retain legal counsel to address a complaint if it involves the President or the Administrator. A report of findings will be submitted to the Board with recommendations for action. If legal council is needed, it will be engaged at that time by the Administrator. The Audit Committee is authorized

to retain legal counsel to address a complaint if it involves the President or the Administrator. A report of findings will be submitted to the Board with recommendations for action.

SECTION 2: Suspected illegal activity or suspected violations of the Corporation's policies may be submitted on a confidential basis by the complainant. Reports will be kept confidential to the extent possible except to the extent necessary (1) to conduct a complete and fair investigation, or (2) for review of the Corporation's operations by the Corporation's Audit Committee, the Corporation's independent public auditor and the Corporation's legal counsel.

SECTION 3: For a proper investigation to be conducted as much information as possible should be reported and it should clearly outline the perceived illegal act or violation of Corporation policies. The report should outline a specific incident with dates and names of individual(s) involved. This report should be supplied in order to conduct a sufficient investigation.

## ARTICLE V: ACCOUNTING AND AUDITING MATTERS

SECTION 1: The Audit Committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The Chairperson of the Audit Committee shall immediately report to the Corporation President if any illegal accounting practices are reported by the independent auditors and will work with the Audit Committee until the matter is resolved.

## ARTICLE VI: ACTING IN GOOD FAITH

SECTION 1: Anyone filing a complaint concerning suspected illegal or unethical activity or a violation of Corporation policies must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the law or Corporation policies. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as malfeasance and addressed accordingly.

## ARTICLE VII: HANDLING OF REPORTED VIOLATIONS

SECTION 1: The appropriate person as outlined in this policy to receive an official complaint will notify the complainant and acknowledge receipt of the report within 5 business days. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

Outside legal counsel may be consulted as needed or warranted by the complaint. Adapted for the Corporation from the sample Whistleblower Policy written by the National Council of Nonprofit Associations, [www.ncna.org](http://www.ncna.org). 2004.

## ARTICLE VIII: EXAMPLES OF ILLEGAL ACTIVITIES

SECTION 1: The following is a non-exhaustive list of the kinds of activities that should be reported:

1. Supplying false or misleading information on the Corporation's financial or other public documents, including its Form 990.
2. Providing false information to or withholding material information from the Corporation's independent auditors.
3. Destroying, falsifying, or concealing any records that are official documents of the Corporation and if the actions are in violation of the law.
4. Altering, destroying, or concealing a document, or attempting to do so, with the intent to impair the document's availability for use in an official proceeding or otherwise obstructing, influencing, or impeding any official proceeding, in violation of federal or state law or regulations.
5. Embezzling Corporation funds or benefiting financially through association with the Corporation, for example serving on the Board and entering into a financially beneficial contract with the Corporation.
6. Paying for services or goods that are not rendered or delivered. "Laundering" funds.
7. Using epithets, slurs, negative stereotyping, and threatening, intimidating, or hostile acts that relate to race, age, color, religion, gender, gender identification, sexual orientation, national origin or disability.
8. Circulating or posting written or graphic material in the workplace that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, sexual orientation, nationality, age, or disability.
9. Discriminating against an employee or potential employee due to a person's race, color, religion, sex, sexual orientation, national origin, age, physical or mental impairment, or veteran status.
10. Violating the Corporation's Board and Employee Policy Manual, Conflict-of-Interest Policy, Whistleblower Policy, or Document Retention & Destruction Policy.
11. Facilitating or concealing any of the above or similar actions.

## BOARD MEMBER JOB DESCRIPTION

### ARTICLE I: MISSION

The mission of the Corporation is to promote outdoor mechanized recreation.

### ARTICLE II: JOB DESCRIPTION

#### SECTION 1: Responsibilities

1. Approve the Corporation's mission and review management's performance in achieving it.
2. Responsible for strategic and long range planning. Annually assess the ever-changing environment and approve the Corporation's strategy to be responsive.
3. Fiscally responsible for the Corporation: Annually review and approve the Corporation's funding plans, financial goals and budget.
4. Establish agency policies.
5. Make attendance at Board of Director meetings a priority. Notify Board President of any necessary absences. May be removed from the Board of Directors for missing two or more meetings in a year.
6. Serve on at least one committee.
7. Assist with membership recruitment as needed.

#### SECTION 2: Organization

1. Approve appropriate compensation and benefit policies and practices.
2. Elect, monitor, appraise, advise, stimulate, support, reward, and if deemed necessary or desirable, change Administrator. Regularly discuss with the Administrator matters that are of concern to that person or to the Board.
3. Annually approve the performance review of the Corporation's Administrator and establish compensation based on recommendations of the Executive Committee and Board President.
4. Be assured that management succession is properly planned.
5. Be assured that the organizational strength can substantiate long-range goals.
6. Propose a slate of prospective Board members to current members and fill vacancies as needed.
7. Determine eligibility for and appoint members to Board committees in response to recommendations of the President and/or Executive Committee.
8. Annually review the performance of the existing Board, (including its composition, organization and responsibilities), and take steps to improve its performance.

### SECTION 3: Operations

1. Review results achieved by the Corporation compared with the Corporation's mission and annual and long-range goals. Compare the Corporation's performance to that of similar institutions.
2. Be certain that the financial structure of the Corporation will adequately support its current needs and long-range strategy.
3. Provide candid and constructive criticism, advice and comments to the Corporation's Administrator.
4. Approve major actions of the Corporation such as capital expenditures on all projects over authorized limits and major changes in programs and services.

### SECTION 4: Audit

1. Ensure that the Board and its committees are adequately informed of the financial condition of the Corporation and its operations through reports or any appropriate method.
2. Ensure that published reports properly reflect the operating results and financial condition of the Corporation.
3. Ensure that executive management has established appropriate policies to define and identify conflicts of interest throughout the agency and is diligent in its administration and enforcement of those policies.

### SECTION 5: Other

1. Time commitment required: approximately four (4) to eight (8) hours a month.
2. Must be at least twenty one (21) years of age.
3. Directors shall be active voting members, in good standing, who have been members of the Corporation for a minimum of one (1) fiscal year.

## SOCIAL MEDIA POLICY

### ARTICLE I: PURPOSE

SECTION 1: The following policy mainly guides employees in appropriate social media interactions but applies to any paid or volunteer representatives of the Corporation.

The Corporation understands that many employees participate in social networking sites (e.g., Facebook, Twitter, YouTube, LinkedIn, Pinterest) and chat rooms, and create and maintain personal websites and blogs.

The Corporation respects employees' online social networking and personal internet use. However, your online presence can affect the Corporation as your words, images, posts and comments can reflect or be attributed to the Corporation. As a team member, you should be mindful to use electronic media, even on your own personal time, responsibly and respectfully to others.

Because employees' online comments and postings can impact the Corporation and/or the way employees are spending their time at work, the Corporation has adopted the following guidelines that employees must observe when participating in social networking sites and/or engaging in other forms of internet use on and off duty. It shall be considered a breach of acceptable team member conduct to post on any public or private website or other forum, including but not limited to discussion lists, newsgroups, listservs, blogs, information sharing sites, social media sites, social or business networking sites such as LinkedIn, Facebook, Instagram, Twitter, etc., or any other electronic or print communication format, any of the following:

1. Anything that may harm the goodwill or reputation of the Corporation or any disparaging information about the Corporation.
2. Any disparaging, discriminatory or harassing information concerning any customer, employee, vendor, or other person associated with the Corporation. Corporation policies prohibiting harassment apply online as well as offline. See SEXUAL HARASSMENT POLICY.
3. Any confidential information, trade secrets, or intellectual property of the Corporation obtained during your employment, including information relating to finances, research, development, marketing, customers, operational methods, plans and policies.
4. Any private information regarding a customer, employee or vendor of the Corporation.

Guidelines for responsible social networking.

1. Be honest about your identity.
2. Make it clear that the views expressed are yours alone.
3. You speak for yourself, but your actions reflect back to the Corporation.
4. Use your common sense.
5. Play nice.
6. Remember that all communication remains in the cyberspace.
7. Respect the privacy of offline conversations.
8. Don't write anything you can't say in public.

As Corporation employees, you are encouraged to interact and be a part of social media communities where the Corporation is present. As you are participating in these social networks, you represent the Corporation:

1. Blogs, wikis, and other forms of online discussions are individual interactions, not Corporation communications. Use common sense and be mindful that what you write will be public for a long time.
2. Identify yourself—name and, when relevant, your role at the Corporation—when you post something about our organization.
3. Clarify that you are speaking for yourself and not on behalf of the Corporation.
4. If you blog outside of the Corporation, and it relates to your work, use a disclaimer such as this: "The postings on this site are my own and don't necessarily represent the Corporation's positions, strategies, or opinions."
5. Respect copyright, fair use, and financial disclosure laws.
6. Do not cite or reference clients, partners, volunteers, or vendors without their approval.

Paid and volunteer representatives who violate the Corporation's social networking policy will be subject to disciplinary action, up to and including termination of employment or removal from the Board.

## RISK MANAGEMENT POLICY

The Corporation is committed to protect its human, financial and goodwill assets and resources through the practice of effective risk management. To this end, the Board will ensure that the Corporation has a risk management plan for the organization that is reviewed, updated and presented to the Board of Directors on an annual basis.

## ARTICLE I: DIRECTORS AND OFFICERS LIABILITY INSURANCE

Operations management will ensure that appropriate Directors and Officers (D&O) Insurance covers the organization and its directors and officers against actual or alleged wrongful acts in three major areas:

1. Governance liability: claims resulting from general governance decisions.
2. Fiduciary liability: claims resulting from alleged fraud and improper financial oversight, including oversight of employee benefit plans (Employment Retirement Income Security Act [ERISA]) and use of grant funds and donor contributions.
3. Employment practices liability: claims resulting from employment-related activities.



# INFORMATION TECHNOLOGY (IT) RISK MANAGEMENT POLICY (To be utilized as appropriate.)

## ARTICLE I: PURPOSE

The Corporation shall adopt a set of information technology (IT) oversight principles to assist the Board of Directors and the Scenic Montana Trails Leadership Team in their responsibility to ensure that IT is aligned with the business. These principles will enable the Corporation to deliver value, measure its performance, properly allocate its resources and mitigate its risks.

A cross-functional IT work group shall be established consisting of Board of Directors and staff members. This body will ensure that the organization's needs, related to strategic use of IT, are satisfied.

The Administrator will be responsible for ensuring that:

1. The IT staff stays current with developments impacting the IT function of Scenic Montana Trails Corporation.
2. IT projects are aligned with the strategic plan.
3. The IT budget aligns with objectives.
4. There is a plan for IT change management.
5. There is a plan for data/information security.
6. Scenic Montana Trails has disaster recovery plans and business continuity plans.
7. Data management policies are in place.

## ARTICLE II: BEST PRACTICES

### SECTION 1: IT Plan Development:

Computers and information technology can be one of the most challenging aspects to consider when developing and managing an IT risk management plan. The effort that goes into a website or a database may not seem directly related to a nonprofit's mission, but organizations are regularly challenged to communicate quickly and effectively with their supporters and the general public about their mission and programs. Websites and databases allow nonprofits to share their mission to the public.

1. **Have a plan.** Strategize about how the new organization will use computers and information to achieve its mission. Plan for the short term (one or two years) and the long term (three to five years) to accommodate the changing technology landscape.

2. **Get new hardware.** If the organization can afford it, buy new computers. There are corporations and foundations that occasionally have equipment to donate, but do not provide a warranty. Unless the organization is planning to hire technical support staff, save time and money down the road by taking advantage of the standard three year warranty that comes with a new computer. Computers do break, so plan ahead.
3. **Backup key files.** Backing up the whole computer is a good idea. At the very least, be sure to backup grant applications, accounting files, fundraising database, solicitation letters and anything related to programs and personnel.
4. **Increase staff expertise.** Key staff members at all levels should have a good sense of how technology works in your office. Not everyone needs to be an expert, although some level of familiarity will help smooth over transitions when staff members leave on vacation or for a new employment opportunity.
5. **Use the internet strategically.** Email is an excellent tool for broadcasting information and quickly responding to general inquiries. Make it part of your ongoing communications commitment. A website should have contact information as well as details about programs. Most organizations will have a website, so make it part of a strategic plan.

## SECTION 2: Information Systems

1. The Corporation should have information systems in place that provide timely, accurate and relevant information. The Corporation's information system should include data storage and retrieval as well as data entry.
2. The Corporation should have policies that prescribe how all organizational information is gathered and stored, how accuracy is maintained, how and what information is backed up, and to whom information is made available.
3. The Corporation should annually review its procedures to ensure that its operations are effective and efficient.
4. The Corporation should designate responsibility for maintaining the organization's information systems to at least one staff person, volunteer, or Board member.
5. The Corporation should maintain and implement a catastrophic recovery plan to deal with unforeseen events. The plan should include accurate equipment lists for insurance purposes and off-site, backup copies of key data and information.

## SECTION 3: Technology

1. The Corporation should invest in telecommunications equipment (such as telephones, voice mail, and fax machines) as well as computer hardware and software that enhance its ability to achieve its mission.

2. As the Corporation chooses to invest in technology equipment, sufficient resources should be allocated to train its Board, employees, and volunteers in its use. The nonprofit should establish goals for the information system's growth and future purchasing. The goals should be flexible enough to guide the nonprofit through a changing environment.
3. The Corporation should monitor ongoing technological developments that have the potential to impact its information systems or mission.

# FINANCIAL POLICIES

## ARTICLE I: GENERAL POLICIES

1. Scenic Montana Trails Corporation, as a not-for-profit organization incorporated in the State of Montana, is entitled to exemption from federal and state income taxes under the provisions of Internal Revenue Service code, Section 501 (c) (3).
2. The Board has both authority and responsibility for all activities of the Organization. Board policies apply to all activities. The Audit Committee reviews the Organization’s financial policies annually and prepares appropriate recommendations for the Board. The Board must approve all additions or changes to financial policies.
3. The Organization’s fiscal year begins January 1st and ends December 31st.

## ARTICLE II: CASH RECEIPTS/ACCOUNTS RECEIVABLE

Cash receipts (check or cash) should be recorded in a deposit ledger and then immediately endorsed with a For Deposit Only stamp. Checks should be photocopied. Cash should be verified by the documentation which accompanies the cash receipt. Copies of checks and cash documentation should be attached to each deposit record (see below).

## ARTICLE III: DEPOSITS

Receipts should be deposited to the appropriate bank account at least once per week. A copy of the deposit record and a copy of the corresponding check or cash documentation for each item should be retained. At the end of each bank statement cycle, the office manager/bookkeeper will reconcile the deposit register and deposit records to the bank statement.

## ARTICLE IV: BANK RECONCILIATIONS

Bank statements are to be reconciled to the account/check register monthly. Reconciliations will be performed by the office manager/bookkeeper and reviewed and approved by the Administrator.

## ARTICLE V: CASH DISBURSEMENTS/ACCOUNTS PAYABLE

All elected Officers shall be designated as signatories on Commission accounts.

All invoices are subject to budget authority. All checks written on invoices must have two signatures. All written checks must be presented with documentation for review and approval by the full Executive Committee. All electronic payments made prior to Executive Committee review are to be documented and itemized for review and approval by the full committee. Examples of online payments are credit card payments and taxes.

## ARTICLE VI: ADMINISTRATOR FUND ALLOCATION

The Administrator has responsibility for seeing that revenue received is allocated in accordance with any restrictions placed on its use, specifically in accordance to the public and private fund accounts. The public fund account(s) are kept independent of all private fund accounts and are subject to terms and conditions according to the Montana Nonprofit Corporation Act..

## ARTICLE VII: FINANCIAL STATEMENTS

The office manager/bookkeeper and Administrator will work together to prepare financial statements on a monthly basis. These statements will summarize all expenditures and receipts for the period covered and compare them to the approved budget. The monthly statements will be circulated to the Executive Committee as with every payment review and approval request. The full Board will review the most up-to-date reconciled financial statements available at each Board meeting.

## ARTICLE VIII: BUDGET

The Board of Directors is responsible for approving an annual public budget at the regularly scheduled September Board meeting. The Board of Directors is responsible for approving the private budget(s) on or before the regularly scheduled November Board meeting.

## ARTICLE IX: INVESTMENTS

The Corporation should limit the funds in its checking account to \$10,000.00 or less. Any amount above \$10,000.00 should be transferred to an interest bearing account or other investment vehicle approved by the Board. The Corporation investment is a sweep account attached to each checking account which requires two signatures for any withdrawal of funds.

## ARTICLE X: ACCOUNTING SOFTWARE

Setting up the Corporation chart of accounts and computerized accounting system should be the

responsibility of the office manager/bookkeeper and Administrator. The chart of accounts is then presented to the full Board for review and approval as an itemized profit and loss statement. The Administrator and other staff will be given appropriate levels of security authority for use of the computerized accounting system.

## INVESTMENT POLICY

The purpose of investments is to grow the assets of the company; therefore, the investment policy should be conservative in nature. No less than 50% of the principal shall be invested in insured certificates of deposit, at least A-rated (Moody's or Standard & Poor's) preferred stocks or corporate or municipal bonds or other similar instruments. The remainder of the funds may be invested in prudent stocks, bonds, real estate, etc. Restrictions on public fund investments are in place and should be reviewed carefully before any action on this policy is considered.

## CONFIDENTIALITY POLICY

It is the policy of the Corporation that its Board and employees may not disclose, divulge, or make accessible confidential information, including team information and lists, belonging to or obtained through their affiliation with the Corporation, to any persons other than those who have a legitimate need for such information or as authorized by the Corporation. This policy is not intended to prevent disclosure required by law.



## SEXUAL HARASSMENT POLICY

The Corporation prohibits any employee, Director, volunteer, or contractor from making sexual advances of a verbal or physical nature toward another employee, Director, contractor or applicant for employment, election or contract. Sexual harassment is viewed as a form of representative conduct that undermines the integrity of the organization. All Directors, employees and contractors must be allowed to work in an environment free from unsolicited and unwelcome sexual overtures. Sexual harassment is a practice that demeans the individual. Consequently, the Corporation will not tolerate sexual harassment of its employee, Director, volunteer, or contractor by anyone. The Corporation will, as necessary, take disciplinary action, up to and including termination or removal from the Board, in accordance with this policy to ensure we meet our responsibilities to our employees, Directors, volunteers and contractors.

The Corporation will not tolerate harassment based on an employee or Board member's race, religion, creed, color, sex (including pregnancy, sexual orientation and gender identity), national origin, veteran status, disability, age, marital status, genetic information, or any other status. Harassment can be any behavior that slanders or shows hostility toward another person because of his or her differences. Harassment creates an offensive, intimidating work environment and/or negatively affects a person's work performance or employment opportunities. Examples of prohibited harassment may include, but are not limited to, slurs, repeated jokes, innuendoes, or other verbal or physical conduct because of a person's race, religion, creed, color, sex (including pregnancy, sexual orientation and gender identity), national origin, veteran status, disability, age, marital status, genetic information, or any other status.

An employee or Board member should immediately report any incident of harassment or discrimination using the complaint procedure below. We will not retaliate against anyone for making or participating in a complaint of discrimination.

Anyone found to be engaging in any type of unlawful discrimination or harassment will be subject to disciplinary action, up to and including termination of employment.

## COMPLAINT PROCEDURE

Any employee or Board member who believes he/she/they has been subjected to or has witnessed a violation of these policies should immediately report the incident to his/her/their immediate supervisor/Board President/Administrator. If the complaint is against the Administrator you would go to the Board President. If the complaint is against the Board

President you would go to the Administrator. The Board President/Administrator, his/her/their designee or other appropriate party will investigate the complaint.

As soon as reasonably possible under the circumstances, the Administrator or other Organization representative shall, verbally or in writing, inform the complainant and other employees or Directors directly involved, of the results of the investigation and the Organization's decision. The factual report and the decision shall remain confidential and shall be disseminated only to persons having a need or right to know which outweighs the privacy rights of the persons involved.

In addition to the complaint procedure noted above, any employee or Director who believes he/she/they or another employee or Director or applicant for employment/election has been subject to unlawful discrimination may contact the Human Rights Bureau, 1625 11<sup>th</sup> Avenue – 2<sup>nd</sup> Floor, P.O. Box 1728, Helena, Montana 59624-1728, 406-444-2884, or the United States Equal Employment Opportunity Commission, 1-800-669-4000 or 303-866-1300 (Denver office).

## AMENDMENTS

(Will be listed here as they occur.)

## APPENDIX A: ADMINISTRATOR SUCCESSION PLAN

In development.

## APPENDIX B: CRISIS COMMUNICATIONS PLAN

In development.

## APPENDIX C: ADVOCACY AND COMMUNITY RELATIONS PLAN

In development.

# CODE OF CONDUCT COMMITMENT

Thank you for volunteering with the Scenic Montana Trails Corporation. We are excited you have given your personal time to help the Corporation strive to meet and exceed our mission and goals.

As such, we expect our volunteers to conduct themselves in a manner that positively represents our organization. Integrity must underlie all Corporation relationships, including those with teams, customers, suppliers, communities, and among employees or volunteers. Corporation Board volunteers should always strive to avoid both an actual conflict of interest and the appearance of a conflict of interest.

By signing below, you agree to abide by this Code of Conduct when volunteering with the Scenic Montana Trails Corporation.

1. I will embrace the spirit of creativity, teamwork and problem solving as the core principles of the Corporation.
2. I will uphold the honesty, impartiality, and reputation of the Corporation, to prevent any disparagement or defamation to the organization or individuals.
3. I know the core principles with which the Corporation conducts business are mutual respect, fair dealing and open communication. This is the foundation for all of our transactions and interactions.
4. I will conduct myself in a professional and ethical manner during all Corporation events.
5. I will adhere to all policies, procedures and practices as outlined in official documentation and training.
6. I will not use my position to seek personal gain or influence through the inappropriate use of information, nor abuse of my position.
7. I will not engage in any activity that might create a conflict of interest for the Corporation or for me individually.
8. I will promptly report any illegal or unethical conduct to the appropriate authorities within the Corporation.

Retaliation against employees or Board volunteers who come forward to raise genuine concerns will not be tolerated. I understand and will comply with the above Code of Conduct.

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NAME (Please print)

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DATE

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SIGNATURE

(This form is available [online](#) and in print. Please complete one version and return to Corporation office.)

## PRACTICES AND PROCEDURES

### BOARD OF DIRECTOR RECRUITMENT, ONBOARDING and EVALUATION

See ARTICLE IV: BOARD OF DIRECTORS POWERS, COMPOSITION & TERMS; ARTICLE V: BOARD OF DIRECTORS MEETINGS, QUORUM AND VOTING

**Nomination protocol for potential Board members to fill a full or partial term** (new nominations will occur at the July Board meeting):

1. Candidate fills out the formal Board of Director application.
2. Candidate's name is submitted to the nomination committee.
3. One or more member(s) of the nomination committee and the Administrator interviews the candidate.
4. Candidate's name and biography are brought before the Board for consideration.
5. If time allows the candidate may be invited to a Board meeting before consideration or to another committee meeting so that he/she can meet current Board members and be confident of their decision to join.

See ARTICLE VI: OFFICERS

**Nomination protocol for Board officers** (every two years):

1. At the meeting prior to the annual meeting, nominations for officers may be made for consideration by the full Board.
2. The nomination committee will meet to consider a slate of candidates to be appointed to each officer position.
3. A member or members of the nomination committee will discuss the appointment with each proposed candidate.
4. After a slate of candidates has been formed, the chairman of the nomination committee will present it for approval at the annual meeting.
5. Once the Board considers and approves the slate, the officer candidates will begin their terms immediately following the annual meeting.

*Per Scenic Montana Trails Bylaws, the slate of candidates for both the Board positions and Board officers must be submitted in writing to the full Board no later than fourteen (14) days prior to the annual meeting.*

BOARD EXPENSES

Board members do not receive financial compensation for their services on the Board or any activities related to Board duties or operations outside of Board meeting related travel expense reimbursements. Board meeting travel reimbursement is determined and reviewed yearly by the Executive Committee and is not guaranteed year to year.

OFFICE, CONTRACT SERVICE AGENTS and EMPLOYEES

The Scenic Montana Trails Board determines the basic policies of the organization, while the executive committee guides the affairs of the commission and selects an Administrator charged with the general supervision and management of the business affairs of the Corporation including staff and contract service agents and vendors. The Administrator is responsible to the executive committee and Board, and may be supported by full-time and/or part-time paid staff members. Staff members and contract service agents and vendors perform their duties under the direction of the Administrator.

The office of Scenic Montana Trails is located in Seeley Lake, Montana.