

INTERMOUNTAIN HUMANE SOCIETY
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POLICY OF THE BOARD OF DIRECTORS

TITLE: Director Responsibilities and Contract
DATE APPROVED: January 9, 2012

Welcome and thank you for volunteering to undertake this vital public service. Your gift of time and talent as a volunteer board member makes possible many important benefits to your fellow citizens and the animals in our care. Intermountain Humane Society requires all board directors and applicants for board positions to read and indicate they understand their legal obligations as a director/potential director. This information is intended only as a guide, specific legal questions should be directed to your attorney. Intermountain Humane Society uses the guidelines published by the Colorado Nonprofit Association in its assessments and planning. This information is available, by request, to any board director applicant.

Volunteer Board Member Responsibilities

As a board member, you have the basic legal and policy responsibility for Intermountain Humane Society. Even though you are an unpaid volunteer, you must:

1. Be active
2. Receive no material profit
3. Avoid conflicts of interest
4. Exercise judgment in overseeing the organization's affairs
5. Comply with applicable governmental regulations

The following information describes your responsibilities as a volunteer board member. For additional information, you may contact the Colorado Office State Attorney General at Attorney.General@state.co.us; 1525 Sherman Street, Denver, CO 80203; (303) 866-4500.

Be active

You should attend meetings of the board and board committees on which you serve. You must have general knowledge and understanding of how the organization is functioning, and you must have particular knowledge and understanding about the purpose of the organization and the specific responsibilities assigned to you. Intermountain Humane Society requires each board member to volunteer a minimum of 2 hours each week (or 8 hours each

month).

Absence from meetings and inactivity do not excuse you from legal responsibility.

Receive no material profit

Board members can only receive reimbursement for reasonable expenses and costs incurred in carrying out their board responsibilities. Intermountain Humane Society prohibits loans by the organization to its directors, officers, volunteers and staff. The organization also prohibits the use of the charity's funds for personal use.

Board members and their families are not allowed to also be paid employees. Board members are expected to disclose any relationship to job applicants and those applications must be immediately withdrawn from consideration.

Avoid conflicts of interest

As a board member, you owe a duty of loyalty to the organization that takes precedence over your personal interests.

Self-dealing

Avoid transactions with the organization in which you have a personal or business interest beyond your interest as a board member. In the rare instance where it is not in the best interests of the organization to deal with you, you should make a full disclosure to the board of all the circumstances involved in the transaction, be sure that the transaction is fair to the organization, refrain from voting on the transaction as a board member, and not be counted in determining the existence of a board quorum. This restriction applies also to your relatives, business associates and friends.

Organizational opportunities

In all matters pertaining to the organization, you must put its interest ahead of your own. If an opportunity related to the organization's purposes comes to you either as a board member or otherwise, you must make it available to the organization before you take it for yourself or another entity.

Exercise judgment in overseeing the organization's affairs

As a board member, you have a duty to care for the organization's affairs in good faith and with at least the degree of diligence, care and skill which ordinarily prudent people would exercise under similar circumstances in like positions. Your good faith is not enough.

The board must act with knowledge and after adequate deliberation. The board must carefully set organizational policy and regularly oversee its administration by competent staff. To exercise its duty or care, the board must appoint and

regularly review the director of the organization and establish and monitor, without getting involved in day-to-day activities, basic organizational policies and procedures as follows:

- * Become familiar with all financial matters of the charity. Regularly request financial information and review all monthly and annual reports and audits of the organization's financial affairs. Each board member should be sure to review and keep copies of the returns filed with the Internal Revenue Service. Each board member should also be familiar with financial statements and how to read/interpret a profit/loss statement and balance sheet. Many organizations offer education in this area and can be easily found by searching online.
- * As necessary, seek competent legal counsel, with an individual/firm unrelated and unattached to any board member, to assure compliance with applicable local, state and federal laws, including timely filing of reports and meeting procedures.
- * Provide for regular meetings of the board and its committees with adequate reports on, and discussion of, organizational activities.
- * Maintain adequate minutes of board and committee meetings as well as pertinent organizational records.
- * Provide for careful selection and orientation of new board members.
- * Be sure that conflicts of interest are avoided.
- * Require board review, adoption and monitoring of the annual budget.
- * Ensure financial resources to conduct organizational activities.
- * Clarify and assure adherence to the purposes of the organization and monitor effectiveness in achieving results. A copy of the charter, by-laws and tax exemption letter, if any, will help with this.
- * Assure a personnel program that provides competent staff.
- * Assure that staff compensation and professional consulting fees are reasonable and set senior staff compensation.
- * Provide sound investment and management of organizational funds and assets not expended directly for charitable purposes, to yield a reasonable return without undue risk.
- * Protect the organization's property, including reasonable provisions for

safekeeping, replacement and divestment procedures that will benefit the organization. Protect monetary assets through proper internal controls and auditing procedures.

5. Comply with applicable governmental regulations

A number of local, state and federal laws and regulations apply to not-for-profit organizations. The board is responsible for ensuring that the organization complies with these requirements.

Organization regulations

Intermountain Humane Society must file annual reports with the Colorado Secretary of State's Office.

Administration and solicitation of funds

Intermountain Humane Society must follow all regulations of the Colorado Attorney General related to soliciting and properly administering funds.

Taxation

Intermountain Humane Society is a 501(c)(3) tax-exempt organization. The organization is subject to sales tax for retail sales and all employer-employee taxes and regulations.

General regulations

In conducting its operations, Intermountain Humane Society is subject to most of the laws affecting individual and corporate conduct.

Accountability

The Colorado Attorney General has the responsibility to the public of assuring sound and legal operations of not-for-profit organizations. This includes bringing legal action against board members for failure to exercise their legal responsibilities. Board members can be held personally liable by third parties injured by the actions of the organization. Liability insurance for directors and officers is often available to cover some of these situations.

I, _____, understand that as a member of the Board of Directors of Intermountain Humane Society, I have a legal and ethical responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward. As part of my responsibilities as board member:

1. I will interpret the organization's work and values to the community, represent the organization, and act as a spokesperson.
2. In turn, I will interpret our constituencies' needs and values to the

organization, speak out for their interests, and on their behalf, hold the organization accountable.

3. I will attend at least 75% of all board meetings, committee meetings, planning sessions and special events.
4. Each year I will make a personal monetary and/or in-kind contribution at a level that is meaningful to me.
5. I will actively participate in one or more fundraising activities.
6. I will excuse myself from discussions and votes where I have a conflict of interest.
7. I will stay informed about the operations of the organization. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues, policies, and other matters. I will not stay silent if I have questions or concerns.
8. I will work in good faith with staff and other board members as partners toward achievement of our goals.
9. If I don't fulfill these commitments to the organization, I will expect the board president to discuss my responsibilities with me.

By signing below, I agree that I have read in full and understand this document as it relates to my legal responsibilities as a director of Intermountain Humane Society.

Board Member or Applicant Signature

Date

Received By Board of Directors President

Date