



Lawyers Alliance for New York

Connecting lawyers, nonprofits, and communities

[NAME OF CHARTER SCHOOL] BYLAWS

ARTICLE I NAME AND OFFICE

Section 1. Name and Formation. [CHARTER SCHOOL] (the “Corporation”) is a not-for-profit corporation organized under the Not for-Profit Corporation law of the State of New York (the “NPCL”). The Corporation is a charter school as defined in the New York State Charter Schools Act (Article 56) of the Education Law of the State of New York (the “NYEL”). The Corporation is to be operated to carry out charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the “Code”).

Section 2. Purposes. The purposes of the Corporation are to: (a) operate a public charter school in the City of New York (the “School”) subject at all times to the NYEL and the NPCL; (b) exercise all rights and powers of not-for-profit corporation under the NPCL; and (c) engage in any other activity that is connected with or in advancement of the foregoing purposes; provided that the Corporation shall at all times operate in conformance with 501(c)(3) of the Code.

Section 3. The principal office of the Corporation shall be at the address of the School. The Corporation may also have offices at such other places as the board of trustees of the School (the “Board,” and each member thereof, a “Trustee”) may from time to time determine.

Section 4. Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of New York a registered office and a registered agent whose office is the Corporation’s registered office.

ARTICLE II MEMBERS

The Corporation shall have no members.

ARTICLE III BOARD OF TRUSTEES

Section 1. Authority. The business and affairs of the Corporation shall be managed and controlled under the general direction of the Board in accordance with the

purposes and limitations set forth herein and in the charter, dated as of [DATE] between the Corporation and [NAME OF AUTHORIZER], and as approved by the New York State Board of Regents on [DATE] (the “Charter”). The Board may delegate the management of the activities of the Corporation to others, so long as the affairs of the Corporation are managed, and its powers are exercised, under the Board's ultimate jurisdiction.

Section 2. Powers and Duties. The Board shall have general power to control and manage the affairs and property of the Corporation subject to the NYEL, the NPCL, New York General Municipal Law (the “GML”), New York Open Meetings Law (“the OML”), and other applicable laws and regulations (collectively, “Laws”), and in accordance with the purposes and limitations set forth in the Charter and herein.

(a) The Board may:

- (i) Appoint and discharge advisors and consultants who have skills necessary or helpful to the Corporation.
- (ii) Employ and discharge persons for the furtherance of the purposes of the Corporation.
- (iii) Exercise all other powers necessary to manage the affairs and further the purposes of the Corporation in conformity with the Charter and these Bylaws.

(b) The Board shall¹:

- (i) Direct the President and Treasurer of the Corporation to present at the annual meeting of the Board a financial report, verified by the President and Treasurer or a majority of the Trustees, or certified by an independent public accountant or certified public accountant or a firm of such accountants selected by the Board. This report shall be filed with the records of the Corporation and a copy or abstract thereof entered in the minutes of the proceedings of the annual meeting of the Board.
- (ii) Select all Officers for the Corporation and approve the members of any committee appointed by the President.

Section 3. Number. The number of Trustees constituting the entire Board shall be not less than five and not more than twenty-five. Subject to such minimum, the number of Trustees may be increased or decreased from time to time, by resolution of the Board, but such action by the Board shall require a vote of a majority of the entire Board and no decrease shall shorten the term of any incumbent Trustee. In the case of a vacancy, if the Board determines to decrease of the number of Trustees, such decrease must be approved by an affirmative vote of at least two-thirds (2/3) of the entire Board.

¹ Consider including additional specific duties, e.g., monitoring the School’s public accountability, hiring and firing staff, establishing educational and operational policies, soliciting and applying for grants and other funding, monitoring fiscal integrity of the School, evaluating the performance of the Principal or other staff, etc..

The “entire Board” shall consist of the number of Trustees that were elected or appointed as of the most recently held election of Trustees.

Section 4. Election and Term of Office. The Trustees shall hold office for **[number five or less]** year terms;² provided, however, that any Trustee elected to fill an unexpired term (whether resulting from the death, resignation or removal or created by an increase in the number of Trustees) shall hold office until the next annual meeting at which the election of Trustees is in the regular order of business and until his or her successor is elected or appointed and qualified. Trustees may **[be elected to any number of consecutive terms][may serve a maximum of _____ consecutive terms]**. To become a Trustee, a person shall be nominated by a Trustee and elected by a majority of the Board at any meeting for such purpose at which a quorum is present.

Section 5. Qualification for Trustees. Each Trustee shall be at least 18 years of age, and no Trustee shall be an employee of the School.³

Section 6. Classification of Trustees.⁴ At the first annual meeting at which the election of Trustees is in the regular order of business, the Trustees shall be divided into three equal as possible classes with **[number]** Trustees in the first class, **[number]** Trustees in the second class, and **[number]** Trustees in the third class. The term of office of the first class shall expire at the first annual meeting of the Corporation following the annual meeting at which Trustees are first designated into classes. The term of office of the second class shall expire at the following annual meeting and the third class at the third annual meeting after the annual meeting at which Trustees are first designated into classes. At each annual meeting after Trustees are first designated into classes, Trustees shall be elected for a term of three years to replace those whose terms shall expire.

Section 7. Removal. The Board, by vote of a majority of the entire Board, may remove or suspend from office any Trustee, on examination and due proof of the truth of a written complaint by any other Trustee, of misconduct, incapacity or neglect of duty; provided, that at least one week’s previous notice of the proposed action shall have been given to the accused and to each other Trustee.⁵

The Regents may also remove any Trustee for misconduct, incapacity, neglect of duty, or where it appears to the satisfaction of Regents that the corporation has failed or refuses to carry into effect its educational purposes.⁶

Section 8. Resignation. Any Trustee may resign from the Board at any time. Such resignation shall be made in writing, and shall take effect at the time specified

² If there are two or more classes of trustees laid out in section 5 below, then the length of their terms may be stated there, not here. The term of each trustee may not exceed a number of years equal to the number of classes into which the board is classified. NPCL §703(b).

³ Corporations organized for educational purposes may have one trustee who is between 16-18 years of age. NPCL §701. This provision may also include additional qualifications, e.g., ex-officio or parent/community member positions on the Board.

⁴ There is no requirement that trustees have staggered terms, however, it may be beneficial in order to ensure that your board always have some experienced trustees. In this example, the term of office for each trustee would be 3 years.

⁵ NYEL §226.8

⁶ NYEL §226.3

therein, and if no time be specified, at the time of its receipt by the Corporation or the President. The acceptance of a resignation by the Board shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of a Trustee. A Trustee who misses three consecutive meetings of the Board, unless a majority of the Trustees has excused such Trustee from attendance, shall be deemed to have resigned.⁷

Section 9. Vacancies and Newly Created Trusteeships. Any newly created Trusteeships and any vacancies on the Board arising at any time and from any cause may be filled at any meeting of the Board by a majority of the Trustees then in office, regardless of their number. The Trustees so elected shall serve until the next annual meeting at which the election of Trustees is the regular order of business and his successor is elected or appointed or qualified. A vacancy in the Board shall be deemed to exist on the occurrence of any of the following:

- (a) the death, resignation or removal of any Trustee;
- (b) an increase in the authorized number of Trustees by resolution of the Board; or
- (c) the failure of the Trustees, at any annual or other meeting of Trustees at which any one or more Trustees are to be elected, to elect the full authorized number of Trustees to be voted for at that meeting.

Section 10. Meetings. Meetings of the Board may be held at any place as the Board may from time to time fix. The annual meeting of the Board shall be held in **[month]** of each year or at a date, time and place fixed by the Board at such time the Board shall receive an annual report. Other regular meetings of the Board shall be held monthly, at a time and place fixed by the Board.

Section 11. Executive Session. To enter into executive session, a motion for executive session must be made during a meeting by a Trustee, the subject of the executive session must be specifically identified at such time, and the motion to conduct the executive session must be carried by a majority vote of the Trustees. Topics for an executive session will be limited to those confidential matters identified in the OML, as amended from time to time. No action for the appropriation of public monies shall be made in executive session. The Board may vote while in executive session on matters related to the reason for such a session and when a vote is taken, minutes of the executive session shall be taken and made public in accordance with the OML.

Section 12. Notice of Meetings. Notice of all meetings of the Board shall be mailed given to all Trustees via mail, email or facsimile at least five (5) days but not more than ten (10) days prior to the date set for such meeting to the home and/or business address of every Trustee. Notice thereof shall state the time and place of the meeting and, in the case of a special meeting, the purpose or purposes for holding such meeting and the Trustee(s) who called for the special meeting. An annual or other waiver of notice in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the time stated therein, shall be

⁷ Id.

equivalent to the giving of such notice. In addition, if a Trustee who does not receive notice attends a meeting without objection, or approves the minutes of such a meeting, the notice will be deemed waived and consent to the meeting given.

Section 13. Notice to the General Public. Notice of all meetings shall be made in accordance with the OML. If a Board's meeting is scheduled at least one week in advance, notice of its time and place shall be given to the news media and conspicuously posted in one or more public locations and on the School's website⁸ at least 72 hours before the meeting. If a meeting is scheduled less than one week in advance, notice of the time and place of the meeting shall be given to the news media, to the extent practicable, and shall be conspicuously posted in one or more public locations at a reasonable time before the meeting.

Section 14. Quorum. The quorum shall be a majority of the entire Board.⁹

Section 15. Voting. Except as otherwise provided by law or these Bylaws, at any meeting of the Board at which a quorum is present, the affirmative vote of a majority of the Trustees present at the time of the vote shall be the act of the Board. If at any meeting of the Board there shall be less than a quorum present, the Trustees present may adjourn the meeting until a quorum is obtained. Consistent with the OML, one or more Trustees of the Board or any committee thereof may participate in a meeting of the Board or committee by means of video conference or similar video communications equipment provided that all persons participating in the meeting can hear and see each other at the same time and can participate in all matters before the Board. Participation by such means shall constitute presence in person at a meeting. The following acts of the Board require the affirmative vote of at least two-thirds (2/3) of the entire Board:

(a) a purchase, sale, mortgage or lease of real property of the Corporation if the property constitutes all or substantially all of the assets of the Corporation;

(b) a sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation; or

(c) an alteration to these Bylaws that would increase the quorum requirement to greater than a majority of the entire board or would increase the vote requirement to greater than a majority of the Board present at the time of the vote.

Section 16. Compensation. No compensation of any kind shall be paid to any Trustee for the performance of his or her duties as Trustee. This shall in no way limit the reimbursement of reasonable expenses incurred in connection with board service. Subject to the Corporation's Conflicts of Interest Policy, provided that there is full disclosure of the terms of such compensation and the arrangement has been determined to be fair and reasonable and approved by the Board, a Trustee may receive payment for services provided to the Corporation in any capacity separate from his or her responsibilities as a Trustee.

⁸ Requirement to post on School's website applicable when School has a website and it is practicable to do so.

⁹ Quorum cannot be less than a majority, per NYEL §226(1).

ARTICLE IV
OFFICERS, EMPLOYEES AND AGENTS

Section 1. Number and Qualifications. The Officers of the Corporation shall be a **[President]** **[Chair]**, a Secretary, a Treasurer and such other Officers, if any, including one or more **[Vice Presidents]** **[Vice-Chairs]**, as the Board may from time to time appoint. One person may hold more than one office in the Corporation except that no one person may hold the offices of President and Secretary. The **[President]****[Chair]** shall be a Trustee of the Corporation and shall not be an employee of the Corporation. The other Officers may, but need not, be Trustees of the Board. No instrument required to be signed by more than one Officer may be signed by one person in more than one capacity.

Section 2. Election and Term of Office. The Officers of the Corporation shall be elected for a **[one-year term]** at the annual meeting of the Board, and each shall continue in office until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal.¹⁰

Section 3. Employees and Other Agents. The Board may from time to time appoint such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board may from time to time determine. To the fullest extent allowed by law, the Board may delegate to any employee or agent any powers possessed by the Board and may prescribe their respective title, terms of office, authorities and duties.

Section 4. Removal. Any Officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the Board.

Section 5. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board.

Section 6. **[President]** **[Chair]: Powers and Duties.** The **[President]** **[Chair]** shall preside at all meetings of the Board and the Executive Committee. The **[President]** **[Chair]** shall have general supervision of the affairs of the Corporation and shall keep the Board fully informed about the activities of the Corporation. He or she has the power to sign and execute alone in the name of the Corporation all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature. The **[President]** **[Chair]** shall perform all the duties usually incident to the office of the **[President]** **[Chair]** and shall perform such other duties as from time to time may be assigned by the Board.

Section 7. **[Vice-President]** **[Vice-Chair]: Powers and Duties.** A **[Vice President]** **[Vice-Chair]** shall have such powers and duties as may be assigned to him or her by the Board. In the absence of the **[President]** **[Chair]**, the **[Vice President(s)]**

¹⁰ Consecutive term limits may be addressed here, as applicable.

[Vice-Chair(s)], in the order designated by the Board, shall perform the duties of the President.

Section 8. Secretary: Powers and Duties. The Secretary shall keep the minutes of the annual meeting and all meetings of the Board in books provided for that purpose. He or she shall be responsible for the giving and serving of all notices of the Corporation, receiving the annual disclosure statements required by the Corporation's conflict of interest policy and shall perform all the duties customarily incidental to the office of the Secretary, subject to the control of the Board, and shall perform such other duties as shall from time to time be assigned by the Board.

Section 9. Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys, evidences of indebtedness and other valuable documents of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board may designate. At the annual meeting, he or she shall render a report of the Corporation's accounts showing in appropriate detail: (a) the assets and liabilities of the Corporation as of a twelve-month fiscal period terminating not more than six months prior to the meeting; (b) the principal changes in assets and liabilities during that fiscal period; (c) the revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes during said fiscal period; and (d) the expenses or disbursements of the Corporation, for both general and restricted purposes during said fiscal period. Such report shall be filed with the minutes of the annual meeting of the Board. The report to the Board may consist of a verified or certified copy of any report by the Corporation to the Internal Revenue Service or the Attorney General of the State of New York which includes the information specified above. The Treasurer shall, at all reasonable times, exhibit the Corporation's books and accounts to any Officer or Trustee of the Corporation, and whenever required by the Board, render a statement of the Corporation's accounts and perform all duties incident to the position of Treasurer, subject to the control of the Board.

Section 10. Compensation. Any Officer who is not a Trustee but is an employee or agent of the Corporation is authorized to receive a reasonable salary or other reasonable compensation for services rendered to the Corporation as an employee or agent when authorized by a majority of the entire Board, and only when so authorized.

Section 11. Sureties and Bonds. In case the Board shall so require, any Officer or agent of the Corporation shall execute for the Corporation a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his or her duties to the Corporation and including responsibility for negligence and for the accounting for all property or funds of the Corporation that may come into his or her hands.

ARTICLE V COMMITTEES

Section 1. Committees of the Board. A committee of the Board is one that shall have authority to bind the corporation and shall be comprised solely of Trustees. There may be committees of the Board, as follows:

- (a) Executive Committee: An Executive Committee shall consist of at least five¹¹ (5) Trustees. The Executive Committee shall have all the authority of the Board except as to the following matters:
- (i) the filling of vacancies on the Board or on any committee;
 - (ii) the amendment or repeal of the Bylaws or the adoption of new Bylaws;
 - (iii) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
 - (iv) the fixing of compensation of the Trustees for serving on the Board or any committee;
 - (v) the election or removal of officers and Trustees;
 - (vi) the approval of a merger or plan of dissolution;
 - (vii) the authorization of a transaction involving the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation; and
 - (viii) the approval of amendments to the Charter.
- (b) Finance Committee:¹² A Finance Committee shall consist of at least three (3) Trustees. The Finance Committee shall advise the Treasurer and the Board in regard to the investments and general fiscal policy of the Corporation.
- (c) [Audit Committee: An Audit Committee shall consist of at least three (3) Trustees each of whom is an Independent Trustee as defined in Article XV. The Committee will annually review or retain the independent auditor and upon completion of the audit review the results of the audit and any related management letter with the independent auditor.

[In addition, the Committee shall¹³:

- (i) review with the independent auditor the scope and planning of the audit prior to the audit's commencement;
- (ii) upon completion of the audit, review and discuss with the independent auditor:
 - any material risks and weaknesses in internal controls identified by the auditor;

¹¹ Charter school specific requirement (NYEL §226.2). General nonprofits need only have three members on the executive committee.

¹² Functions may be combined with an Audit Committee.

¹³ These additional obligations apply to Corporations with \$1,000,000 or more of annual or anticipated annual revenue.

- any restrictions placed on the scope of the auditor’s activities or access to requested information;
 - any significant disagreements between the auditor and management; and
 - the adequacy of the corporation’s accounting and financial reporting processes.
- (iii) annually consider the performance and independence of the auditor; and
- (iv) report on the Committee’s activities to the Board.]]¹⁴
- (d) Other Committees of the Board.¹⁵ By resolution of the Board at a meeting at which a quorum is present, the Board may establish other committees of the Board consisting of at least three Trustees with such powers and duties as the Board may prescribe.

Section 2. Election of Committee Members. The members of each committee of the Board shall be elected by a majority of the entire Board. The Board may, at the time of such election, choose to elect alternate committee members.

Section 3. [Subcommittees.]¹⁶ Every Committee shall, at the discretion of the Committee chairperson, be able to appoint such subcommittees (each, a “Subcommittee”) as may be necessary to carry out the function of the Committee. Committees and Subcommittees shall meet at such times and places as the chair of each committee shall determine and the notice of the meeting shall specify.]

Section 4. Notice. Reasonable notice of meetings of Committees and Subcommittees shall be provided by the chair of each such Committee [or Subcommittee]. To the extent applicable, public notice of any and all meetings of Committees [and Subcommittees] of the Board shall be given as required by the OML or other Laws.

ARTICLE VI

COMMITTEES OF THE CORPORATION

Section 1. Powers. The Board by resolution may appoint from time to time any number of persons as advisors of the Corporation to act as a committee or committees of the Corporation. No such committee shall have the authority to bind the Board. Each advisor shall hold office during the pleasure of the Board and shall have only the obligations as the Board may from time to time determine.

¹⁴ Nonprofit corporations are not required by the NPCL to have an audit committee, but if the corporation does not have an audit committee, then Board itself must fulfill these obligations.

¹⁵ Include any specific committees that already exist (academic, nominating, governance, etc.)

¹⁶ If applicable.

Section 2. No Compensation. No advisor to the Corporation shall receive, directly or indirectly, any salary or compensation for any service rendered to the Corporation as a member of a committee of the Corporation, except that the Board may authorize reimbursement of expenditures reasonably incurred on behalf of activities for the benefit of the Corporation.

ARTICLE VII

CONTRACTS, CHECKS, BANK ACCOUNTS AND INVESTMENTS

Section 1. Checks, Notes and Contracts. The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments.

Section 2. Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board may deem desirable.

ARTICLE VIII

BOOKS

There shall be kept at the office of the Corporation correct books of account of the activities and transactions of the Corporation including the minute book, which shall contain a copy of the Charter, a copy of these Bylaws, and all minutes of meetings of the Board.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall be determined by the Board.

ARTICLE X

INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The Corporation [**may/shall**], to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she or his or her testator was a Trustee, officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney fees. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding or (b) he or she personally

gained in fact a financial profit or other advantage to which he or she was not legally entitled in the transaction or matter in which indemnification is sought.

Section 2. Insurance. The Corporation shall have the power to purchase and maintain all insurance policies deemed to be in the best interest of the Corporation including insurance to indemnify the Corporation for any obligation which it incurs as a result of its indemnification of Trustees, Officers and employees pursuant to Section 1 above, or to indemnify such persons in instances in which they may be indemnified pursuant to Section 1 above.

ARTICLE XI AMENDMENTS

These Bylaws, or any part hereof, may be amended or repealed by the majority¹⁷ vote of the Trustees present at any meeting of the Board, so long as a quorum is present, except as otherwise noted herein. Any amendment or repeal of these Bylaws is authorized only at a duly called and held meeting of the Board for which written notice of such meeting, setting forth the proposed alteration, is given. No amendment to these By-Laws may be made if such amendment is not in accordance with Laws and the Charter.

Any material amendment of the Bylaws shall not be effective without the approval of [AUTHORIZER].

ARTICLE XII NON-DISCRIMINATION

In all of its dealings, neither the Corporation nor its duly authorized agents shall discriminate against any individual or group for reasons of race, color, creed, sex, age, ethnicity, national origin, marital status, sexual orientation, gender identity, mental or physical disability or any category protected by state or federal law.

ARTICLE XIII REFERENCES TO CHARTER AND LAW

References in these Bylaws to the Charter shall include all amendments thereto or changes thereof unless specifically excepted by these Bylaws. In the event of a conflict between the Charter and these Bylaws, the Charter shall govern. In the event of a conflict between these Bylaws and the provisions of any Laws, the Laws shall govern.

ARTICLE XIV DEFINITIONS

¹⁷ Consider a 2/3 majority vote.

Section 1. Affiliate. An affiliate of the Corporation is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, or in control of the Corporation.

Section 2. Financial Interest. A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Corporation.

Section 3. Independent Trustee. A member of the Board of Trustees (the “Board”) who:

- (a) Has not been an employee or Key Person of the Corporation or an Affiliate of the Corporation within the last three (3) years;
- (b) Does not have a Relative who has been a Key Person of the Corporation or an Affiliate of the Corporation within the last three (3) years;
- (c) Has not received and does not have a Relative who has received more than \$10,000 in compensation directly from the Corporation or an Affiliate of the Corporation in any of the last three (3) years (not including reasonable compensation or reimbursement for services as a Trustee, as set by the Corporation);
- (d) Does not have a substantial Financial Interest in and is an employee of, and does not have a Relative who has a substantial Financial Interest in or is an Officer of, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation or an Affiliate of the Corporation if the amount paid by the Corporation to the entity or received by the Corporation from the entity for such property or services, in any of the last three fiscal years, exceeded:
 - the lesser of \$10,000 or 2% of such entity’s consolidated gross revenues if the entity’s consolidated gross revenue was less than \$500,000;
 - \$25,000 if the entity’s consolidated gross revenue was \$500,000 or more but less than \$10,000,000; or
 - \$100,000 if the entity’s consolidated gross revenue was \$10 million or more;

(for the purposes of this subparagraph (d), “payment” does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the corporation at fixed or non-negotiable rates or amounts for services received; provided, however, that such services by and to the corporation are available to individual members of the public on the same terms and such services received by the corporation are not available from another source);

- (e) Is not in an employment relationship under control or direction of any Related Party and does not receive payments subject to approval of a Related Party;
- (f) Is not and does not have a Relative who is a current owner, whether wholly or partially, Trustee, officer or employee of the Corporation's outside auditor or who has worked on the Corporation's audit at any time during the past three (3) years; or
- (g) Does not approve a transaction providing economic benefits to any Related Party who in turn has approved or will approve a transaction providing economic benefits to the Trustee.

Section 4. Key Person. A Key Person is a person who (a) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of Trustees and officers; (b) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (c) alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.¹⁸

Section 5. Related Party. Persons who may be considered a Related Party of the Corporation or an Affiliate of the Corporation under this Policy include:

- (a) Trustees, Officers, or Key Persons of the Corporation or an Affiliate of the Corporation;
- (b) Relatives of Trustees, Officers, or Key Persons;
- (c) any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%;
- (d) Founders of the Corporation;
- (e) Substantial contributors to the Corporation (within the current fiscal year or the past five fiscal years);
- (f) Persons owning a controlling interest (through votes or value) in the Corporation;
- (g) Any non-stock entity controlled by one or more Key Persons.

¹⁸ Consider identifying in the Policy the staff positions identified in this bullet and the preceding bullet.

Section 6. Relative. A Relative is a spouse or domestic partner (as defined in section 2994-A of the New York Public Health Law), ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse or domestic partner of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood).