BYLAWS OF
SAN MARCOS HIGH SCHOOL CHEER BOOSTERS
a California Nonprofit Public Benefit Corporation

ARTICLE I – NAME

The official name of this corporation shall be San Marcos High School Cheer Boosters herein known as SMHSCB.

ARTICLE II – OFFICES

SECTION 2.01. PRINCIPAL OFFICE

The principal office for the transaction of the activities and affairs of the corporation ("principal office") is located at 1615 West San Marcos Blvd. in the City of San Marcos, County of San Diego, State of California. The Executive Board of Directors ("the Executive Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

SECTION 2.02. OTHER OFFICES

The Executive Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE III – PURPOSE AND POLICIES

SECTION 3.01. PURPOSE

1. The purpose of the SMHSCB is to provide financial and organizational support to advance the Cheer programs and related activities at San Marcos High School.
2. The SMHSCB will work in cooperation with school officials, coaches and SMHSCB members to help achieve goals set forth by the SMHSCB Officers including:
   a. To support, promote and maintain a high standard of integrity and good sportsmanship in the San Marcos High School Cheer program.

b. To foster and promote good will, communication and cooperation between parents, students, school and district representatives, coaches, and the community.
c. To promote quality and excellence in the San Marcos High School Cheer program.
d. To promote and encourage attendance at San Marcos High School Cheer events by parents and friends of athletes, the students, and faculty of the school.
e. To promote and encourage students to become involved in the cheer program either as an active participant or as a volunteer.
f. To raise funds to supplement the San Marcos High School Cheer program.
g. To enhance the San Marcos High School Cheer experience for all present and future athletes.

SECTION 3.02. POLICIES

1. The SMHSCB recognize the responsibility to make decisions in the best interest of the Cheer programs.
2. The SMHSCB will cooperate with other organizations within San Marcos High School. Persons representing the SMHSCB in such matters shall make no commitments that bind the SMHSCB unless approved by a majority vote of the Executive Board.
3. The SMHSCB will operate in a manner that is consistent with SMUSD District guidelines, CIF guidelines, and SMHS policies.
4. Whenever possible and practical, written guidelines should be created and maintained for all regular duties of the SMHSCB, such as, but not limited to, guidelines for the planning and execution of major fundraising events. The objectives of these guidelines are to facilitate the smooth and complete retention and transition of information.
5. Only members of the Executive Board are authorized to sign contracts. A current SMHSCB board can obligate another board to a contract for a period of six (6) months beyond the end of their term but not beyond that.
6. The organization is organized under the California Nonprofit Public Benefit Corporation Law for charitable and public purposes exclusively for the charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code (hereinafter "Internal Revenue Code").
7. The organization shall be noncommercial, nonsectarian, and nonpartisan.
8. The name of the organization or the names of any members in their official capacities shall not be used to endorse or promote a commercial concern or in

connection with any partisan interest or for any purpose not appropriately related to promotion of the objects of the organization.

9. The organization shall not, directly or indirectly, participate or intervene (in any way, including the publishing or distributing of statements) in any political campaign on behalf of, or in opposition to, any candidate for public office or devote more than an insubstantial part of its activities in attempting to influence legislation by propaganda or otherwise.
10. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, directors, trustees, officers, or other private individuals except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III Section 3.01. hereof.
11. Notwithstanding any other provision of these Bylaws, the organization shall not, except to an insubstantial degree, carry on any other activities not permitted to be carried on (i) by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law) or (ii) by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE IV – MEMBERSHIP

1. Membership in this organization shall be automatic to any parent, step-parent or legal guardian ("parents") of a current student participant on the San Marcos High School Cheer Teams.
2. The head coach (Cheer Advisor) shall automatically be non-voting ex-officio member of the organization and shall be a non-voting member of the Executive Board. That person shall provide guidance and leadership and act as a liaison between parents and school administration; and shall report pertinent information to the booster club.
3. Parents, as defined above, of present team athletes will be the only voting members and each parent is entitled to one vote per athlete in the SMHS Cheer program. Members vote at the general meeting in June to approve a budget (Article VII Section 8.01 3.) and the elect the Officers/Executive Board as per Article VI Sections 6.02, 6.03 & 6.04 of these Bylaws. In the event that the Bylaws of SMHSCB need to be amended, the members would vote on the proposed amendment (Article XI).
4. There are no membership fees.

ARTICLE V – MEETINGS

1. SMHSCB Meetings will be held monthly, on the second Monday of the month, unless the date is on a holiday.
2. The President, with the consent of the majority of the Executive Board, will have the power to change the date of the meeting or eliminate a meeting entirely.
3. Special meetings and Executive Board meetings can be held at the call of the President.
4. The meeting in June shall be known as the "Annual Meeting" for the purpose of electing officers, receiving reports of officers and committees, approving a budget and for any other business that may arise.
5. Meetings may include, but not be limited to, the following agenda items:
    a. Welcome / Introductions / Sign-in
    b. Approval of Minutes
    c. Cheer Advisor's Report
    d. Treasurer Report
    e. President's Report
    f. Suggestions from the floor

ARTICLE VI – EXECUTIVE BOARD AND OFFICERS

SECTION 6.01. EXECUTIVE BOARD MEMBERS AND SELECTION

1. Authorized Board Members. The Executive Board members are the officers of the corporation: President, Vice President of Communications, Vice President of Fundraising, Vice President of Hospitality, Treasurer, and Secretary. Executive Board members must be current members of the SMHSCB. All Board positions may be shared and titled "Co-".
2. Selection. The Board shall be selected as follows:
    (a) Initial Board Members. The initial Board members shall be the incorporator(s) named in the corporation's Articles of Incorporation.
    (b) Subsequent Board Members. At the expiration or earlier termination of the terms of office of the initial Executive Board Members, their successors shall be chosen by a majority vote of the SMHSCB members as described in Article VI Section 6.04 of these Bylaws.

SECTION 6.02. EXECUTIVE BOARD POWERS AND DUTIES

1. Powers.
   (a) The Executive Board shall have the authority to create Committees.
   (b) The Executive Board will have the power in intervals between meetings to transact all business not otherwise provided for in the Bylaws or delegated to a special committee, except that of modifying any action by the SMHSCB. A majority vote of Executive Board Members participating in an Executive Board meeting will be necessary to decide on a matter.
2. Duties.
   (a) Executive Board members shall attend all regularly scheduled meetings of the SMHSCB or ensure that information regarding their current responsibilities is available for presentation if they are not able to attend.
   (b) The Executive Board shall prepare an annual budget for the upcoming fiscal year and submit to the membership for adoption at the annual meeting.
   (c) When an Executive Board officer leaves office, they are expected to retain responsibility for their duties until each of those duties is successfully transitioned to the incoming officer for their respective position. The outgoing officer retains the right to oversee all duties for a period up to six months after leaving office.

SECTION 6.03 TERM AND VACANCIES

1. Term. The Executive Board term of office is one year or until a successor has been duly elected or appointed.
2. Vacancies.
   a. Resignation. In the event of resignation of an Executive Board officer, a letter of resignation must be sent to the President from the resigning officer.
   b. Impeachment. An Executive Board member may be impeached by the Executive Board if the officer: fails to uphold duties as an officer; disgraces the organization; or abuses authority. If an officer is impeached from an office, he or she cannot hold any future position on the Executive Board. Impeachment is executed by a simple majority vote of the remainder of the board, excluding the officer in question.
   c. Special Election. In the event of a resignation or other loss of an Executive Board member during the term of office, a special election shall be called by the President. The nomination and election process shall be immediately initiated, per the election procedure outlined in these Bylaws.

SECTION 6.04. ANNUAL ELECTION OF OFFICERS THAT COMPRISE THE EXECUTIVE BOARD

1. At the May meeting, the SMHSCB members shall be notified that elections will be held for the Executive Board for the following year at the Annual Meeting in June.
2. At the May meeting, The Executive Board shall present its slate of nominees and/or vacant positions to the membership in attendance. Candidates not on the slate shall then be offered the opportunity to nominate from the floor. All nominations may be accepted in person or via email by the day before the Annual Meeting held in June.
3. After all nominations have been received, the candidates will be introduced and provided an opportunity to speak before the membership if desired.
4. All SMHSCB members in attendance are eligible to vote. If there is only one nominee for each office, election may be by voice vote. If there is more than one nominee for any office, the vote must be by ballot.
5. If needed, ballots will be made available. Ballots will be counted by 2 general body members not nominated. The highest number of votes cast shall determine the winners. The results will be read aloud and entered into the minutes of the meeting.
6. The July meeting shall be used to transition between the outgoing and incoming officers. This will be the time to review the previous year's progress and establish goals for the coming year. Outgoing officers should pass on all pertinent books, records, and information to the incoming board members.

SECTION 6.05. RESPONSIBILITES OF OFFICERS

1. <u>President.</u>
    a. Conduct the SMHSCB meetings.
    b. Put motions on floor to be voted on.
    c. Work with Secretary to prepare an agenda for SMHSCB meetings, if necessary.
    d. Does not vote except to break a tie.
    e. Is an ex-officio member of all committees, excluding nominating committees.
    f. Review the bank account statements and the Treasurer's report for accuracy and completeness.

2. <u>Vice President – Communications.</u>
    a. Assume the duties of President, both in temporary and permanent circumstances when the President is unable to perform those duties, until a replacement is named.

b. Responsible for all SMHSCB communication between coaches, parents, and athletes.
c. Work directly with the Cheer Advisor, coaching staff when necessary, and the Executive Board.
d. Maintain all Google calendars and will keep families and athletes informed of all San Marcos High School Cheer Team related activities.

3. <u>Vice President – Fundraising.</u>
   a. 2nd in line to assume the duties of President, both in temporary and permanent circumstances when the President is unable to perform those duties, until a replacement is named.
   b. Develop and bring fundraising ideas to the President and then present to the Board for approval.
   c. Identify strategies and coordinate execution of each fundraising activity.
   d. Serve as the chair of their respective fundraising activities unless another chair is specified.
   e. Responsible for proper training of chairs and ensuring that the chairs operate within the school and district guidelines and also within the Bylaws of the SMHSCB.
   f. Have an approved working budget that will allow the payment of up-front costs, such as deposits and is responsible for communicating with the Treasurer for support. The goal of this budget is to allow fundraising to run programs effectively when upfront costs are involved.
   g. Provide monthly updates at the Board meetings for ongoing programs.
   h. Provide more frequent updates to the President between meeting times, as information surfaces (i.e. contract negotiations, purchasing, etc.).
   i. Coordinate monetary procedures with the Treasurer and within the SMHSCB Bylaws.

4. <u>Vice President – Hospitality.</u>
   a. 3rd in line to assume the duties of President, both in temporary and permanent circumstances when the President is unable to perform those duties, until a replacement is named.
   b. Plan for and execute all events in which the SMHSCB wishes to extend hospitality to the public, cheer teams or SMHS staff including team dinners and end of year banquet.
   c. Have an approved working budget that will allow the payment of up-front costs, such as deposits and is responsible for communicating with the

Treasurer for support. The goal of this budget is to allow hospitality to run programs effectively when upfront costs are involved.

d. Provide monthly updates at the Board meetings for ongoing programs.

5. <u>Treasurer</u>
   a. Is responsible for the maintenance of the financial records.
   b. Verifies funds.
   c. Makes deposits within one week of receiving money.
   d. Makes disbursements in accordance with the decisions of the Executive Board and the SMHSCB members.
   e. Presents a written financial report at every meeting of the SMHSCB and as requested by the Executive Board of the SMHSCB.
   f. Maintains a permanent record of all reports.
   g. Keeps all itemized receipts and records for a period of 7 years, except those requested at SMHSCB meetings to be kept permanently.
   h. Closes the books on April 30th of each year.
   i. After April 30th, receipts that are not turned in for reimbursement become a donation to SMHSCB and will not be reimbursed.
   j. Treasurer report is to go out to Executive Board 24 hours prior to SMHSCB meeting.

6. <u>Secretary</u>
   a. Works with the President to prepare an agenda for SMHSCB meetings.
   b. Sends notification of monthly meeting, time and place to all SMHSCB families.
   c. Previous meeting minutes will go out to Executive Board within one week of SMHSCB meeting.
   d. Is responsible for taking minutes of meetings. Minimum requirements for meeting notes are:
      - Type of meeting
      - Date, time and place of meeting
      - Treasurer's report –Available at beginning of meeting with previous meeting minutes
      - Record any items that are voted on, who motioned 1st and 2nd, and outcome of vote
      - Time of adjournment

SECTION 6.06. ADDITIONAL POSITIONS

Additional Executive Board positions may be created by a majority vote of the SMHSCB Members. To fill the position, the nomination and election process will be immediately initiated, per the election procedure outlined in these Bylaws.

SECTION 6.07. ATTENDANCE REQUIREMENTS

If an Executive Board member misses three consecutive regularly scheduled meetings of the SMHSCB, they will forfeit their position. To fill the position, the nomination and election process will be immediately initiated, per the election procedure outlined in these Bylaws.

ARTICLE VII – VOTING PROCEDURES

1. Executive Board voting may be held in person, via telephone, email, or text. All Executive Board votes require a simple majority to pass. Members shall have at least twenty-four (24) hours to cast their votes. A quorum of two-thirds (2/3) is required for voting and the vote shall be recorded in the minutes of the next meeting. These voting procedures apply to topics voted on by the executive board including transacting business (Article VI Section 6.02 1.b.), impeachment of an Officer (Article VI Section 6.03 2.b.), budget over-runs (Article VIII Section 8.02 1.b.). Shared Executive Board positions will share one vote and will be cast by either party.
2. Regular Meeting voting by the membership must be held in person. No proxy voting will be allowed. All regular meeting votes require a simple majority of those SMHSCB members in attendance to pass. The vote shall be recorded in the minutes. These voting procedures apply to topics voted on by the members including election of the Officers/Executive Board (Article VI Section 6.04), approval of a budget (Article VI Section 6.02 2.b. & Article VIII Section 8.01 3.), special election of Officers/Executive Board member (Article VI Section 6.03 2.c.), addition of Board positions (Article VI Section 6.06) and amendment of Bylaws (Article XI).

ARTICLE VIII – MONETARY POLICIES

SECTION 8.01 – GENERAL

1. The SMHSCB Fiscal Year is from May 1 to April 30.

2. SMHSCB funds are intended to benefit the athletes through the enhancement of programs and activities. The SMHSCB officers are the guardians of these funds and have an obligation to see that they are protected and used wisely. It is very important that everyone follow these policies, in accordance with SMHSCB Bylaws.
3. The proposed SMHSCB budget is introduced at the May meeting and voted for approval by the membership present at the June meeting.

SECTION 8.02 - BUDGETED PURCHASES AND REIMBURSEMENTS

1. Budgeted Purchases.
    a. A request for purchases of goods/services shall be submitted via paper or email to the SMHSCB Treasurer and SMHSCB President or another member of the SMHSCB Board at least one week prior to the purchase. The request must be approved by two SMHSCB Board members. SMHSCB Treasurer will disburse funds within a week of this approval.
    b. Money raised by this organization shall be spent as specified in the approved budget. If a revision or over-run is warranted, it needs to be approved by a Majority Vote of the Board. Such changes should be approved prior to any money being spent.
    c. During the monthly meetings the use of any budgeted funds must be reviewed, and any changes or overages must be presented and approved. If necessary, email can be used to communicate the intention between meetings.
2. Reimbursements.
    a. In order for SMHSCB funds to be disbursed (for a reimbursement or to initiate a payment to an external company) a reimbursement/payment request must be made via paper request or email and include the Payee information, budget line item/department, and an invoice, receipt or order information.
    b. Any commitment of funds that does not follow these policies is the personal responsibility of the initiator.
    c. All reimbursements require a receipt. There can be no reimbursement of costs without the actual receipt or invoice.
    d. The SMHSCB officer accountable for an event/activity is responsible for collecting and submitting all receipts and completed reimbursement forms (or relevant information) to the SMHSCB Treasurer within 30 days for reimbursement. The initiator of the refund request should retain a copy of both the receipt and reimbursement form prior to submitting for approval. After 30 days, expenditures become a donation to SMHSCB. The SMHSCB

officer responsible for the budget line item involved must sign the form before funds will be disbursed. This can be completed via email or text with the chairperson's "approved" message.

e. If payment is needed prior to an event/activity, please contact the treasurer as early as possible to schedule the payment. Please have the reimbursement form complete with approval signatures/emails of the appropriate officer(s). All information and approvals can be submitted via email or text as an alternate to paper. The payment will not be disbursed without the officer's approval.

SECTION 8.03 – COLLECTION OF FUNDS, CONTRACTS AND DONATIONS

1. <u>Collection of Funds.</u>
   a. All committees involved in collection of funds (fundraising, activities, etc.) must have one SMHSCB Officer to manage the monies and follow these procedures.
   b. All funds received in cash must be counted by two SMHSCB officers.
   c. The SMHSCB officer in charge of the event/activity is responsible for knowing the amount processed after the event.
   d. The Treasurer will make the deposit and report on it during the monthly SMHSCB meetings.
2. <u>Check Acceptance Policy.</u> All checks should be made payable to SMHSCB.
3. <u>Contracts.</u>
   a. The SMHSCB should only enter into written (not verbal) contracts.
   b. Contracts are valid only when previously approved by SMHSCB officers and signed by two Executive Board members.
   c. Any other person signing a contract can be held personally liable for the full amount.
   d. Any potential contracts with persons or companies related to a SMHSCB officer or committee chair must receive special review to ensure that no conflict of interest exists. After exercising due diligence, the SMHSCB officers shall determine whether the SMHSCB could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
   e. Independent contractors must supply a street address and social security number for IRS purposes; use Form W-9, available at <u>www.irs.gov</u>.
4. <u>Soliciting and Receiving Donations.</u> Certain committees may have a need to solicit donations in the community, in the form of cash or in-kind contributions. As a

Federally tax-exempt 501(c)(3) organization, the SMHSCB has certain responsibilities to donors.

   a. Donation requests should be submitted to potential donors on SMHSCB letterhead.
   b. Prior to requesting a donation, check with all other officers. Care must be taken to not request donations from the same company on a repeated/excessive basis during the school year.
   c. Committees who solicit donations are also responsible for producing thank you notes to donors and be signed by the SMHSCB President (in addition to or instead of the committee chair who solicited the donation). Depending on the type of donation, certain wording to satisfy IRS requirements may be necessary.

ARTICLE IX: CHAIRPERSONS AND COORDINATORS

Various Chairpersons, Coordinators, and Representatives may be appointed at the discretion of the Executive Board to facilitate the various activities of the SMCT Boosters. Among these are:

1. Event Chairpersons. In order to successfully execute a major fundraising event or team building event, various chairpersons can be appointed for specific areas of responsibility, including, but not limited to:
   a. Cheer with a Knight
   b. Car Washes
   c. End of Year Banquet
   d. Holiday Party
   e. Spirit Wear
2. Coordinators. In order to successfully execute a major fundraising event or team building event, various coordinators can be appointed for specific areas of responsibility, including, but not limited to:
   a. SnapRaise
   b. Team pictures
   c. Team Photography

ARTICLE X - INDEMNIFICATION AND INSURANCE

SECTION 10.01. INDEMNIFICATION

1. Right of Indemnity. To the full extent permitted by law, this corporation shall indemnify its Directors, officers, employees and other persons described in Section 5238(a) of the California Corporation Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding", as that term is used in such Section and including an action by or in the right of the corporation, by reason of the fact that such person is or was a person described by such Section. "Expenses", as used in this Bylaw, shall have the same meaning as in Section 5238(a) of the California Corporation Code.

2. Approval of Indemnity. Upon written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporation Code, the Board shall promptly determine in accordance with Section 5238(e) of the Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of Directors who are not parties to such proceeding, the Board or the attorney or other person rendering services in connection with the defense shall apply to the court in which such proceeding is or was pending to determine whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met.

3. Advancement of Expenses. To the full extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation prior to the final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the corporation therefore.

SECTION 10.02. INSURANCE

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents of the corporation, against any liability asserted against or incurred by an officer, Director, employee or agent in such capacity or arising out of the officer's, Director's, employee's or agent's status as such.

ARTICLE XI - AMENDMENTS

1. Bylaws. These bylaws may be amended at any regular meeting of this organization, by a two-thirds (2/3) vote of those members in attendance, provided the proposed amendment was submitted to the membership for consideration at the previous regular meeting and a copy of the proposed amendment was emailed to all members for comment thirty days before the vote of the change.
2. Articles of Incorporation. The Executive Board Members shall adopt a resolution setting forth any proposed amendment of the Articles of Incorporation, which, if approved by a majority of the Board members, shall be again submitted for a vote at the next regular meeting of the membership.

ARTICLE XII: DISSOLUTION PROCEDURE

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the payment of the debts, obligations and liabilities of the corporation, the remaining assets of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law.)

ARTICLE XIII – CONFLICT OF INTEREST POLICY

SECTION 13.01. PURPOSE

The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 13.02. DEFINITIONS

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.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
    a. An ownership or investment interest in any entity with which the organization has a transaction or arrangement;
    b. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement; or
    c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement. "Compensation" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 2b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 13.03. PROCEDURES

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 who are considering the proposed transaction or arrangement.
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 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 whether a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest.
    a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
    b. 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.
    c. After exercising due diligence, the governing board or committee shall

determine whether the organization 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.

   d. 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 organization'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.

4. Violations of the Conflict of Interest Policy.
   a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
   b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 13.04. RECORDS OF PROCEEDINGS

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.

SECTION 13.05. COMPENSATION

1. A voting member of the governing board who receives compensation, directly or

indirectly, from the organization 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 organization 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 organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

SECTION 13.06. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board-delegated powers shall annually sign a statement which affirms that such person:

1. Has received a copy of the conflict of interest policy;
2. Has read and understood the policy;
3. Has agreed to comply with the policy; and
4. Understands that the organization is charitable and that in order to maintain its federal tax-exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 13.07. PERIODIC REVIEWS

To ensure that the organization operates in a manner consistent with charitable 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, are based on competent survey information, and are the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

SECTION 13.08. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 13.07, the organization may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of San Marcos High School Cheer Boosters, Inc., a California Nonprofit Public Benefit Corporation, and the above Bylaws are the Bylaws of this corporation as adopted at a meeting of the Executive Board held on April 8, 2019

Executed April 8, 2019 at San Marcos, California.

Daiquiri Rankin

Daiquiri Rankin, Secretary