

Montana Nonprofit Association (MNA)

Board Governance Policy

I. Purposes of this Policy

- A. To provide a framework within which directors and officers of the Board of MNA will be guided in the execution of their fiduciary duties on behalf of the MNA.
- B. To help assure awareness by directors and officers of the Board of MNA of their basic fiduciary duties under state law and of their obligations related to federal tax exemption granted MNA.
- C. To help assure that the decisions and conduct of the directors and officers of the Board of MNA are at all times consistent with their duties and obligations and with the charitable mission of MNA.

II. Obligations of the Board and Individual Directors

- A. Mission: MNA is operated exclusively for the exempt purpose established in its mission, and shall engage primarily in activities which further that mission.¹
- B. Directors' Role:
 - 1. The directors are those persons with voting power on the Board of Directors responsible for the operation of MNA. All corporate powers are exercised by or under the authority of the Board and the affairs of MNA are managed under the direction of the Board.²
 - 2. The directors do not manage the day-to-day affairs of MNA, but delegate that function to others. Directors must, however, exercise reasonable and prudent oversight with respect to corporate officers, agents and employees to whom such affairs are delegated.
 - 3. In the performance of his or her duties, a director may rely on information and reports received from officers or employees of MNA whom the director reasonably believes to be reliable and competent in the matters presented, as well as on professional advisors (e.g. attorneys, public accountants) and other persons with regard to matters the director reasonably believes are within the person's professional or expert competence. A director may also rely upon a committee of

¹ Treas. Reg. §1.501(c)(3)(1)

² MCA § 35-2-414.

the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence.³

4. Core Fiduciary Obligations of Directors

a. Duty of Care

- (i) A director shall discharge his or duties as a director, including duties as a member of a committee:
 - (a) In good faith;
 - (b) With the care of an ordinarily prudent person in a similar position would exercise under similar circumstances; and
 - (c) In a manner the director reasonably believes to be in the best interests of MNA.⁴
- (ii) The duty of care implies a duty of reasonable inquiry. Each director is obligated to ask questions and demand information to allow that director to have sufficient information and understanding to make decisions he or she reasonably believes are in MNA's best interests.
- (iii) A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance on advice from employees, officers, advisors and consultants, or other directors or board committees unwarranted.⁵

b. Duty of Loyalty

- (i) Each director is obligated to exercise an undivided and unselfish loyalty to MNA. Each director must exercise his or her obligations and powers in the best interests of MNA and its charitable mission, not in his or her own interests or in the interests of another person or entity (even if charitable in nature).
- (ii) Each director must serve the best interests of MNA and may not narrow his or her board role to serving the interests of a particular member, non-voting affiliate, or narrow segment or constituency within the community of nonprofit organizations served by MNA.

³ MCA § 35-2-416.

⁴ MCA § 35-2-416 (1)

⁵ MCA § 35-2-416 (3)

(iii) Each director shall fully comply with MNA's conflict of interest policy and code of ethics.

(iv) Each director must refrain from taking corporate opportunities that rightfully belong to MNA. A corporate opportunity is a business or personal opportunity that is known to the director because of his or her position as a director. A director may not personally benefit from an opportunity that rightfully belongs to MNA. Each director is obligated to affirmatively protect the interest of MNA and to refrain from doing anything that would deprive MNA of profit or advantage which the director's skill or ability might bring to it.

c. Obedience to Purpose

(i) Each director is obligated to further the mission of MNA, to be faithful to its purposes and goals, and to act in conformity with all laws affecting MNA.

III. Manner of Governing

- A. The Board shall enforce upon itself whatever discipline is needed to govern with excellence.
- B. The Board shall cultivate a sense of group responsibility. The Board, not the staff, is responsible for governing with excellence. The Board will use the expertise of individual members to enhance the ability of the Board as a body, rather than allowing individual expertise of directors to substitute for judgments that should be made by the Board as a body.
- C. The Board shall follow the Bylaws in implementing a governance structure and operations that are accountable to MNA's members and its mission. In particular, it shall do the following:
 - 1. Establish standing committees with charters and require that directors actively participate in such committees in accordance with the committee charters.
 - 2. Conduct regularly scheduled board meetings and expect that directors will attend (unless they have an excused absence) and actively participate.
 - 3. Adopt and monitor policies that assure adequate oversight of the affairs of MNA, including of its officers and employees, adequate implementation of its programs, and compliance with the law.

- D. The Board shall assess its performance and the performance of individual directors at least annually. This self-assessment shall include monitoring of Board and director performance against policies related to governance and to relationships to the Executive Director and staff. This assessment may be conducted by a committee of the Board initially, especially with regard to the performance of individual directors, but the Board shall engage in a discussion and self-assessment of its performance at least annually.
- E. The Board shall engage in periodic evaluation of whether it is fulfilling its obligations by asking for member input or by conducting a survey of the nonprofit community in Montana and of parties interested in the nonprofit community in Montana.
- F. The Board shall direct, control and inspire MNA through careful organizational planning to assure that MNA is effectively pursuing its mission. The Board shall review its organizational plan at least annually and shall update it as needed to effectively pursue MNA's charitable mission.

Adopted by the Board on April 17, 2008.

Reviewed and Reinstated on May 16, 2017

Montana Nonprofit Association (MNA)

Whistleblower and Non-Retaliation Policy¹

I. General

MNA's Code of Ethics 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 MNA, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

II. Reporting Responsibility

It is the responsibility of all directors, officers, employees, and volunteers to comply with and to report violations or suspected violations of the Code of Ethics, MNA policies, or laws in accordance with this policy.

III. No Retaliation

No director, officer, employee, volunteer, or contractor who in good faith reports a violation of the Code, MNA policies, or law shall suffer harassment, retaliation or adverse employment consequence.

An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within MNA prior to seeking resolution outside MNA.

IV. Reporting Violations

Directors, officers, employees, and volunteers should share their questions, concerns, suggestions or complaints with someone who can address them properly.

In most cases, employees and volunteers should report to the MNA Executive Director.

¹ Based upon a Whistleblower policy Copyright 2004, National Council of Nonprofit Associations, www.ncna.org. *The National Council of Nonprofit Associations (NCNA) is the network of state and regional nonprofit associations serving over 22,000 members in 46 states and the District of Columbia. NCNA links local organizations to a national audience through state associations and helps small and mid-sized nonprofits: manage and lead more effectively; collaborate and exchange solutions; save money through group buying opportunities; engage in critical policy issues affecting the sector; and achieve greater impact in their communities.*

However, if an employee or volunteer is not comfortable speaking with the Executive Director or is not satisfied with the response, that employee or volunteer is encouraged to report to any officer of the Board.

V. Acting in Good Faith

Any good faith report, concern or complaint is fully protected by this policy, even if the report, question or concern is, after investigation, not substantiated.

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code, MNA policy, or law. Any allegations that prove not to be substantiated and have been made maliciously or with knowledge that they were false will be treated as a serious disciplinary offense.

VI. Confidentiality

Upon the request of the complainant, MNA will use its best efforts to protect the confidentiality of the complainant for any good faith report. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

VII. Handling of Reported Violations

All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. The complainant will be informed that follow-up has or is occurring within two weeks after the Executive Director or board officer has received the complaint or report. The Executive Committee shall be informed of all such complaints or reports.

History of policy:

Adopted by Board of Directors on July 8, 2008

Montana Nonprofit Association (MNA)

Conflict of Interest Policy¹

And

Annual Statement

**For Directors and Officers and
Members of a Committee with Board Delegated Powers**

Article I -- Purpose

1. The purpose of this Board conflict of interest policy is to protect MNA's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of MNA or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
3. This policy is also intended to identify "independent" directors.

Article II -- 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 MNA has a transaction or arrangement,
 - b. A compensation arrangement with MNA or with any entity or individual with which MNA has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MNA 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. A person who has a financial

¹ This policy is based on the IRS model Conflict of Interest policy, which is an attachment to Form 1023. It adds information needed to allow MNA to assess director independence in order to answer questions on Form 990.

interest may have a conflict of interest only if the Board or Executive Committee decides that a conflict of interest exists, in accordance with this policy.

3. **Independent Director** -- A director shall be considered “independent” for the purposes of this policy if he or she is “independent” as defined in the instructions for the IRS 990 form or, until such definition is available, the director --
 - a. is not, and has not been for a period of at least three years, an employee of MNA or any entity in which MNA has a financial interest;
 - b. does not directly or indirectly have a significant business relationship with MNA, which might affect independence in decision-making;
 - c. is not employed as an executive of another corporation where any of MNA’s executive officers or employees serve on that corporation’s compensation committee; and
 - d. does not have an immediate family member who is an executive officer or employee of MNA or who holds a position that has a significant financial relationship with MNA.
4. **Nonfinancial interest**—is a nonfinancial interest that might influence an officer’s, director’s, or committee member’s participation or vote in an action of the officer’s, director’s, or committee member’s duties:
 - a. The person’s relationship as an unpaid volunteer, officer or director of an organization that may be affected, directly or indirectly, by action to be taken, or not taken, by MNA
 - b. The person’s personal, political, religious, friendship, or personal relationships which may be affected by an action to be taken, or not taken, by MNA.

Article III – Procedures

1. **Duty to Disclose** -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of any financial interest and be given the opportunity to disclose all material facts to the Board or Executive Committee.
2. **Disclosure of nonfinancial interests.** Directors shall disclose nonfinancial interests generally in their annual statement, and specifically as individual interests arise. Nonfinancial interests are expected, and shall not be reviewed unless a Board member (including the affected member) requests that the interest be reviewed under the Conflict of Interest Policy.

3. **Recusal of Self** – Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
4. **Determining Whether a Conflict of Interest Exists** -- After disclosure of the financial interest all material facts will be disclosed and reviewed, including discussion with the interested person. Upon request by a Board member the material facts of a nonfinancial interest will be reviewed, including discussion with the interested party. Then the potentially conflicted Member shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.
5. **Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the Board or Executive Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction, arrangement, or other matter involving the possible conflict of interest.
- b. The Chairperson of the Board or Executive 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 Board or Executive Committee shall determine whether MNA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a financial conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a financial conflict of interest, the Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in MNA'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.

6. **Violations of the Conflicts of Interest Policy**

- a. If the Board or Executive 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 Board or Executive Committee determines the

member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV – Records of Proceedings

The minutes of the Board and all committees with board delegated powers shall contain:

- a. 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 Board's or Executive Committee's decision as to whether a conflict of interest in fact existed.
- b. 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

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

Article VI – Annual Statements

1. Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy,
 - b. Has read and understands the policy,
 - c. Has agreed to comply with the policy, and

- d. Understands MNA is charitable 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.
2. Each voting member of the Board shall annually sign a statement which declares whether such person is an independent director.
3. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.
4. The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Article VII – Periodic Reviews

To ensure MNA 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:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to MNA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or 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, MNA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Revision History by the MNA Board
Initial Conflict of Interest policy adopted April 19, 2006
Restated April 17, 2008
Revised and approved May 16, 2017

**Director and Officer
Conflict of Interest Statement**

1. Name: _____ Date: _____

2. Are you a member in Good Standing? Yes No

3. What organization or other membership affiliation do you represent? _____

4. Position:

Are you a voting Director? Yes No

Are you an Officer? Yes No

If you are an Officer, which Officer position do you hold:

_____.

5. I affirm the following:

I have received a copy of the MNA Conflict of Interest Policy. _____ (initial)

I have read and understand the policy. _____ (initial)

I agree to comply with the policy. _____ (initial)

I have reviewed the Board Member Job Description. _____ (initial)

I understand that MNA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. _____ (initial)

6. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with MNA? Yes No

i. If yes, please describe it: _____

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with MNA? Yes No

i. If yes, please describe it, including when (approximately):

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

7. Are you an independent director, as defined in the Conflict of Interest policy? Yes No

a. If you are not independent, why? _____

Signature of director

Date: _____

Date of Review by Executive Committee: _____

Montana Nonprofit Association (MNA)

Document Retention and Destruction Policy

I. Purpose

- A. MNA 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 MNA
 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 MNA
 4. Maintain a list of non-voting affiliates
 5. Maintain MNA's policies -- both board and administrative policies
 6. Allow MNA to demonstrate effective pursuit of its mission, to evaluate the success of its programs and to determine whether the organization 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 MNA or of any government investigations.
- B. MNA'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 MNA's activities or may be relevant to MNA's business needs, legal obligations, or any litigation or investigation.

II. Method of Retention

- A. MNA may maintain records in electronic form or paper or in any other safe and reliable manner. Electronic records need to be stored in a secure and accessible manner, and must be backed up regularly. Email is not considered an adequate source for storage of documents. Documents subject to permanent retention should be saved in a format that preserves the original attributes of the document.

- B. Records shall be stored in a secure location, which may be in the MNA offices or in a storage facility or other location.
- C. MNA shall maintain a record of where records are stored or located so that they may be accessed within a reasonable period of time.

III. Document Destruction, Including Prohibition on Document Destruction

- D. Documents not covered by this policy shall be destroyed when no longer useful to MNA and the files of MNA should be periodically culled of such documents.
- E. 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.
- F. Documents may not be destroyed and must be preserved and not altered in any manner if MNA knows or has been informed that they may be relevant to an investigation by any government entity or to litigation or potential litigation.

IV. Executive Director’s Authority

- G. The Executive Director 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.
- H. The Executive Director shall notify the Board or the Governance and Nominating 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.
- I. The Executive Director 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.

V. Documents that must be maintained and retention periods

Legal structure of MNA	
1. Articles of Incorporation and any amendments	Permanently
2. Annual filing with the Secretary of State	Permanently
3. Bylaws and any amendments	Permanently

4. IRS Form 1023 and amendments	Permanently
5. IRS letter recognizing MNA's tax exempt status	Permanently
Board and Board Committee membership, decisions and activities	
1. Minutes of Board and standing committee meetings	Permanently
2. Financial statements and budgets approved by the Board or any committee of the Board	Permanently
3. List of board members, contact information, and their terms	Permanently
4. Periodic reviews of Board effectiveness conducted by the Board, a committee of the board, a consultant, or management	7 years
5. Board resolutions, including banking resolutions, should be maintained as part of the minutes	Permanently
6. Annual Conflict of Interest disclosure statements	7 years after director is no longer on the board
Membership, membership votes and other activities related to involvement of members in the governance of MNA	
1. List of nonprofit members, dates of membership, basic description of the member, and contact information	Permanently
2. Minutes of annual or special membership meetings	Permanently
3. Notices sent to membership related to governance functions	Permanently
4. Record of attendance at annual or special membership meetings	Permanently
5. Activities of members under the bylaws, including requests for governance actions	Permanently
6. Proxy statements or other evidence of authority of a person to vote for any nonprofit member	3 years after no longer effective
7. Record of membership fees paid by each nonprofit member	7 years.
Non-voting affiliates	

1. List of non-voting affiliates, dates of affiliation, and contact information	Permanently
2. Record of fees paid by each non-voting affiliate	7 years
MNA's policies -- both board and administrative policies	
1. Board policies, including record of effective dates, amendments and revisions	Permanently
2. Administrative policies, including record of effective dates, amendments and revisions	3 years after last effective date
Documents that demonstrate effective pursuit of MNA's mission, evaluate program success and determine whether the organization is achieving desired	
1. Strategic planning documents approved by the Board	15 years after end of effective period
2. Board, board committee, management reviews or evaluations of MNA projects	15 years
3. Consultant's reports on core MNA projects	15 years
4. Program files on MNA programs	For major projects involving more than \$25,000 during any fiscal year, documents will be retained through the term of the project and an additional 5 years, unless grant requirements state otherwise; or at the discretion of the ED
Financial statements, budgets, tax returns, and important supporting information.	
1. Federal and state annual tax returns and any	Permanently
2. Business records that support federal and state annual returns	7 years
3. Financial reviews by outside CPAs or audited financial statements of MNA	Permanently
4. Documents that establish MNA's sources of receipts for tax and other purposes	7 years

<p>Note: All other significant documents related to the budget and financial results and activities should be part of the minutes of the Finance and Audit Committee or the Board.</p>	
<p>Donations and grants</p>	
<p>1. Records of all donations, names and contact information for donor, any limitations on use, and disbursements</p>	<p>Permanently</p>
<p>2. Grants: records shall be kept as required by any grant document, but shall include the names and contact information of the grantor, any limitations on use, and disbursements</p>	<p>Permanently</p>
<p>Other</p>	
<p>1. Personnel and employment records</p>	<p>7 years after termination</p>
<p>2. 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 MNA or of any government investigations.</p>	<p>7 years after termination</p>

Adopted by the Board of Directors on July 8, 2008

Revised and approved by the Board of Directors on: 8/16/2017

Montana Nonprofit Association (MNA)

Executive Compensation Policy¹

I. Purpose:

- A. To assure that MNA is able to retain high quality executive leadership of MNA by providing reasonable compensation.
- A. To assure that decisions regarding executive compensation are made through a process free of potential conflicts of interest.

A. Persons whose compensation is subject to this policy

- A. The Executive Director's compensation shall be reviewed under this policy.
- A. If at some point in the future MNA employs a person performing the services of chief financial officer, that person's compensation shall be reviewed in accordance with this policy.

A. Executive Committee

- A. The Executive Committee of the board is authorized to make recommendations to the Board regarding executive compensation.
- A. Only those members of the Executive Committee who are free of conflicts of interest may be involved in evaluation of executive compensation.
- A. The Executive Committee should, to the extent reasonably available, rely upon appropriate data as to comparability prior to making its recommendation, and shall contemporaneously place such data and other reasons for its recommendation in the minutes.
 - 1. If the Executive Committee does not have data as to comparability, it shall document any other bases for believing the proposed compensation is reasonable.
- A. The Executive Committee shall make this determination at least once annually.

A. Final Board Action

- A. Only those directors who are free of conflicts of interest may vote on executive compensation.

¹ Drafted to comply with the rebuttable presumption in Treas. Reg. § 53.4958-6 of the Excess Benefits Regulations and to address revised Form 990, Part VI, Section B, question 15.

- A. The Board shall review and approve executive compensation, after a review of comparability data or other evidence that compensation is reasonable, and shall contemporaneously substantiate its deliberation and decision in the minutes.

Adopted by the Board on April 17, 2008.

Reviewed and Re-Approved by the Board on May 16, 2017

Montana Nonprofit Association (MNA)

Code of Ethics¹

I. Personal and Professional Integrity

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

II. Mission

- A. MNA's mission is to promote a stronger nonprofit sector, supportive public climate, and the ability of nonprofits to accomplish their missions. MNA achieves its mission through advocacy and public policy, access to affordable goods and services, research and education, professional and organizational development, and special projects.
- B. All of MNA's programs support that mission and all who work for or on behalf of MNA understand and are loyal to that mission and purpose.
- C. The mission is responsive to the constituency and communities served by MNA and benefits the society at large.

III. Governance

- A. MNA's Board of Directors is responsible for setting the mission and strategic direction of MNA and oversight of the finances, operations, and policies of MNA.
- B. The Board and individual directors and officers shall act in accordance with the Board Governance policy, the Conflict of Interest policy and any other policies adopted by the Board related to the appropriate conduct of directors and officers.
- C. Among its duties, the governing body:
 - 1. Ensures that its board members have the skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of MNA and its public purpose;
 - 2. 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;

¹ This Code of Ethics is based upon the model Code of Ethics recommended for public charities and foundations by Independent Sector.

3. Is responsible for the hiring, firing, and regular review of the performance of the executive director, and ensures that the compensation of the chief executive officer is reasonable and appropriate;
4. Ensures that the executive director and appropriate staff provide the governing body with timely and comprehensive information so that the governing body can effectively carry out its duties;
5. Ensures that MNA conducts all transactions and dealings with integrity and honesty;
6. Ensures that MNA promotes working relationships with board members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness and openness;
7. Ensures that MNA is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions;
8. Ensures that board policies of MNA are in writing, clearly articulated and officially adopted;
9. Ensures that the resources of MNA are responsibly and prudently managed; and,
10. Ensures that MNA has the capacity to carry out its programs effectively.

IV. Legal Compliance

- A. MNA is knowledgeable of and complies with all applicable laws, regulations and professional standards.

V. Responsible Stewardship

- A. MNA manages its funds responsibly and prudently. This includes the following considerations:
 1. It spends a reasonable percentage of its annual budget on programs in pursuance of its mission;
 2. It spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
 3. MNA compensates staff, and any others who may receive compensation, reasonably and appropriately;
 4. To the extent MNA has endowments or grants, it prudently draws from endowment or grant funds consistent with donor/grantor intent, legal guidelines and to support the public purpose of MNA;

5. MNA ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of MNA; and,
6. All financial reports are factually accurate and complete in all material respects.

VI. Transparency and Disclosure

- A. MNA provides appropriate and timely information to the public, its members, and all stakeholders and is responsive to reasonable requests for information.
- B. All information about MNA will fully and honestly reflect the policies and practices of MNA.
- C. Basic information data about MNA, such as the annual Form 990 and any audited financial statements, will be posted on MNA's website or will be made otherwise available to the public in accordance with a board policy on transparency and public reporting.
- D. All solicitation materials accurately represent MNA's policies and practices and will reflect the dignity of program beneficiaries.
- E. All financial, organizational, and program reports will be complete and accurate in all material respects.

VII. Program Evaluation

- A. MNA regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs.
- B. MNA is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities and the field. MNA is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

VIII. Inclusiveness and Diversity

- A. MNA promotes inclusiveness and diversity. MNA takes meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment and constituencies served.

IX. Fundraising

- A. To the extent that MNA raises funds from the public or from donor institutions, MNA is truthful in its solicitation materials and will disclose important and relevant information to potential donors.

- B. MNA will respect the privacy concerns of individual donors and expend funds consistent with donor intent.
- C. To the extent it raises funds from the public, MNA will respect the rights of donors, as follows:
1. To be informed of the mission of MNA, the way the resources will be used and MNA's capacity to use donations effectively for the intended purposes;
 2. To be informed of the identity of those serving on MNA's board and to expect the board to exercise prudent judgment in its stewardship responsibilities;
 3. To have access to MNA's most recent board approved program and financial reports;
 4. To be assured their gifts will be used for the purposes for which they were given;
 5. To receive appropriate acknowledgement and recognition;
 6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by the law;
 7. To expect that all relationships with individuals representing MNA will be professional in nature;
 8. To be informed whether those seeking donations are volunteers, employees of MNAs or hired solicitors;
 9. To have the opportunity for their names to be deleted from mailing lists; and,
 10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.²

History of revisions:

Initial Code of Ethics adopted April 19, 2006

Revised and restated April 17, 2008

² These ten points are adapted from A Donor Bill of Rights, developed by the American Association of Fund Raising Counsel, the Association for Healthcare Philanthropy, the Council for the Advancement and Support of Education, and the Association of Fundraising Professionals, and endorsed by INDEPENDENT SECTOR.

Montana Nonprofit Association

Public Reporting and Transparency Policy

I. Purpose:

- A. MNA believes in transparency and accountability to its constituents and the public by making available information on MNA's governance structure, governance policies and documents, financial condition as reflected in audited financial statements, and major programs.
- B. This policy implements Internal Revenue Service requirements regarding public disclosure of MNA's IRS form 1023 exemption application and annual reporting IRS forms.

II. Information Available to the Public

- A. MNA shall post on its website and make available upon request the following information and documents in a timely manner:
 - 1. Governance Documents, including:
 - a. A list of the current officers and directors of MNA
 - b. Articles of Incorporation
 - c. Bylaws
 - d. Charters of Standing Committees – Executive Committee, Governance and Nominating Committee, and Finance and Audit Committee
 - e. Code of Ethics
 - f. Conflict of Interest Policy
 - g. Corporate Governance Policy
 - h. Whistleblower Policy
 - i. Executive Compensation Policy
 - j. Public Reporting and Transparency Policy
 - 2. Financial and IRS documents, including:
 - a. IRS form 1023 exemption application
 - b. IRS form 990 and 990T
 - c. Audited financial statements

III. Delegation of Authority for Website Management

MNA delegates to the Executive Director the authority to manage the MNA website in accordance with this policy and with the further objectives of informing MNA's membership and the public of MNA's major activities and programs and providing information that supports MNA's mission.

Adopted by the Board on April 17, 2008.