

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

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ARTICLE I – PURPOSE

Section 1. The primary objectives and purposes of this corporation shall be to:

- a. teach and promote International Dancing in general as a social and recreational activity within San Diego County; and
- a. provide the City of San Diego Park and Recreation Department a self-governing organization of like groups that shall:
 - (1) establish guidelines which uphold and maintain city policies, and
 - (2) utilize one liaison person as the link between the groups and the city;
- b. providing its member clubs certain advantages, such as:
 - (1) use of a Balboa Park facility to conduct classes, and
 - (2) insuring its members through a common carrier.
- b. create and maintain a friendly relationship among various member clubs;
- c. cooperate with national, state, county and social organizations in the furtherance of the above objectives.

ARTICLE II – EXECUTIVE BOARD AND ITS DUTIES

Section 1. EXECUTIVE BOARD:

- a. The board of Directors of this corporation will be known as the Executive Board.
- b. The IDASDC Executive Board shall consist of the offices of President, Vice President, Second Vice President, Secretary and Treasurer.
- c. The President, Vice President, Second Vice President, Secretary and Treasurer shall be elected from present or past delegates who are current members of IDASDC clubs, and who have served at least one full term as a delegate of the IDASDC.
- d. The term of office shall be one (1) year or until a successor is elected.
- e. Set fees above the maximum for special events as set forth in the Standing Rules.

Section 2. EXECUTIVE BOARD DUTIES. The Executive Board shall:

- a. carry out the policies of the IDASDC;
- b. insure that the requirements as set forth by the Special Use Permit issued by the City of San Diego Park and Recreation Department are adhered to; and

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

- c. settle any inter/intra club disputes when requested by any party involved.
 - (1) Member clubs, not satisfied with the Board's ruling, may request an appeal as set forth in the Standing Rules.

Section 3. Members of the Executive Board shall serve without compensation.

ARTICLE III – OFFICERS AND THEIR DUTIES

Section 1. PRESIDENT. The President shall:

- a. preside at all IDASDC meetings and functions;
- b. represent the IDASDC at all affairs of international dancing, both state and local whenever possible;
- c. appoint or replace all committee chairpersons with a majority approval of the IDASDC delegates;
- d. be an ex-officio member of all committees except the nominating committee; and
- e. maintain and transmit all records to his/her successor.

Section 2. VICE PRESIDENT. The Vice-President shall:

- a. assume the duties of the President in the absence of the President;
- b. give assistance to the President when required;
- c. be in charge of publicity for the IDASDC;
- d. review bylaws of the member clubs and of any other club applying for membership in the IDASDC; and
- e. maintain and transmit all records to his/her successor.

Section 3. SECOND VICE PRESIDENT. The Second Vice President shall:

- a. assume the duties of the President during the absence of the President and Vice President;
- b. give assistance to the President when required;
- c. coordinate all IDASDC special events;
- d. maintain the IDASDC archives; and
- e. maintain and transmit all records to his/her successor.

Section 4. SECRETARY. The Secretary shall:

- a. maintain an accurate record of all official meetings of the IDASDC and Executive Board;
- b. maintain an accurate, up-to-date roster of all member clubs, delegates, and alternates;
- c. maintain an up-to-date record of all matters passed affecting IDASDC Bylaws and Standing Rules and notify the clubs of any changes. (See Articles X and XI);
- d. maintain an accurate file of all special correspondence of the IDASDC;
- e. see that the delegates of member clubs and the San Diego Park and Recreation Department receive minutes of the IDASDC meetings;
- f. furnish member clubs the IDASDC Bylaws and Standing Rules and all other IDASDC publications; and
- g. maintain and transmit all records to his/her successor.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

Section 5. TREASURER. The Treasurer shall:

- a. be responsible for an accurate accounting of all monies of the IDASDC and member clubs;
- b. act as Insurance Chairperson for the IDASDC, with the authority to appoint a sub-chairperson;
- c. file annual financial statements, on San Diego Park and Recreation Department approved forms, of the IDASDC and IDASDC member clubs with the San Diego Park and Recreation Department;
- d. submit an annual financial report showing all revenue by source and all expenditures of the IDASDC no later than August 31 to the San Diego Park and Recreation Department;
- e. be authorized to audit the books of member clubs at any time with the approval of the IDASDC Executive Board;
- f. pay routine expenditures of the IDASDC as they occur and as specified in the Standing Rules, with Executive Board approval;
- g. not pay expenditures exceeding the amount as specified in the Standing Rules until such proposed expenditures have been examined and approved by the IDASDC delegates; and
- h. maintain and transmit all records to his/her successor.

Section 5 All officers shall serve without compensation.

ARTICLE IV – DELEGATES/ALTERNATES AND THEIR DUTIES

Section 1. MEMBER CLUBS. Each member club shall:

- a. designate two (2) delegates to represent them at the IDASDC meetings;
- b. designate at least one (1) alternate to act on behalf of a delegate whenever a delegate is unable to attend a meeting; and
- c. transmit an official letter to the Secretary of the IDASDC identifying their appointees prior to the delegates or alternates assuming office.
 - (1) No delegate or alternate shall be recognized until this letter has been received.

Section 2. DELEGATES/ALTERNATES. Delegates and alternates shall:

- a. not represent more than one (1) club at a time;
- b. be eligible to remain a delegate or alternate while holding an office, with the exception of the office of the IDASDC President;
 - (1) Any delegate who is elected President of the IDASDC shall see that his/her member club designates a replacement.
- c. serve a minimum of one (1) year from June through May or until a successor is appointed; and

Section 3. DELEGATE DUTIES. Delegates shall:

- a. attend all IDASDC meetings, or ensure that an alternate is present in their absence;

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

- b. convey all information from the IDASDC to his/her member club as soon as possible; and
- c. select one (1) club delegate as a primary contact person with the IDASDC liaison officer.

ARTICLE V – ELECTIONS

Section 1. NOMINATING COMMITTEE

- a. A nominating committee, consisting of a minimum of three (3) IDASDC delegates, shall be appointed by the President *before* the second meeting of the calendar year.
 - (1) Two (2) delegates from the same IDASDC member club cannot serve on the same nominating committee.
- b. At the second IDASDC meeting of the calendar year the nominating committee shall present a slate of candidates for the offices of President, Vice-President, Second Vice-President, Secretary and Treasurer.
 - (1) The nominating committee shall endeavor to provide at least two (2) candidates for each elective office.
 - (2) This slate may be increased by nominations from the floor at the second IDASDC meeting of the calendar year.
- c. All nominees must submit written acceptance of their nomination to the chairperson of the nominating committee on or before the second IDASDC meeting of the calendar year.

Section 2. BALLOTS. The ballot shall:

- a. include the names of all candidates running for an office;
- b. be mailed by the Nominating Committee Chairman to each of the two (2) delegates from each member club;
- c. be mailed by the first day of the month following the second meeting of the calendar year, and;
- d. be returned by the delegate to the Nominating Committee Chairman in either of three (3) ways:
 - (1) by mail by the first day of the month of the third meeting of the calendar year, or
 - (2) in person by the third meeting, or
 - (3) by the alternate if the delegate is unable to attend the third meeting; and
- e. be returned in a signed and sealed envelope.

Section 3. TAKING OFFICE.

- a. The newly elected officers shall take office at the first scheduled meeting of the IDASDC fiscal year (see Article VI, Section 1, a.).
- b. The officers may not serve more than two (2) consecutive terms in the same office unless elected by a 2/3 vote of the delegates
 - (1) The President may be nominated for one (1) additional term.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

- c. Vacancy of an elected office will be filled by a vote at the scheduled meeting within one (1) month of the notification of the vacancy.

ARTICLE VI- MEETINGS

Section 1. CONDUCTING BUSINESS.

- a. The IDASDC fiscal year will commence on the first day of June.
- b. A scheduled meeting of the IDASDC shall be held six times per year, one every other month. Any exception must be approved by the IDASDC.
- c. Special meetings of the IDASDC:
 - (1) may be called by the President, two (2) of the elected officers, or a majority of the delegates.
 - (2) Notices to all delegates shall be given no later than fourteen (14) working days prior to the date of the special meeting
- d. Business may be conducted by the delegates and alternates present at any official meeting called of the IDASDC.

Section 2. VOTING.

- a. All meetings will be open to the public, but only delegates or alternates of the member clubs in the IDASDC will be allowed to vote.
- b. A representative from the San Diego Park and Recreation Department shall serve as advisor to the IDASDC but will have no vote.
- c. The Vice President, Second Vice President, Secretary and Treasurer shall be allowed to cast one (1) collective vote.
 - (1) This vote will be result of their majority vote and shall be called the "Board collective vote".
 - (2) Exception: in the event one of these officers is a delegate or an alternate of a member club and is required to vote on its behalf, that officer shall cast one (1) vote for his/her club and will not join in the Board collective vote.
- d. The President shall only vote in the event of a tie.
- e. Except where otherwise specified in these Bylaws, a majority vote of the delegates and alternates present shall be sufficient to carry any measure.
- f. The vote for Bylaws changes shall be made at the meeting following the proposal of the change. (see Article XI).
- g. The vote for Standing Rules changes can be made at the same meeting the proposal is made (see Article X).

ARTICLE VII – COMMITTEES

Section 1. FORMATION.

- a. Committees may be formed when necessary to benefit the member clubs of the IDASDC.
- b. Either the Executive Board or the delegates may request that a committee be formed.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

- c. The formation of a new committee must be ratified by the Executive Board and approved by the IDASDC delegates.
- d. The President shall appoint all committee chairpersons who must then be approved by the delegates.
 - (1) Committee chairpersons/appointees may not be replaced without approval of the delegates.

Section 2. DISSOLUTION.

- a. Committees shall be dissolved once the purpose or event for which the committee was formed has passed.
- b. No active committee shall be dissolved without approval of the delegates.

ARTICLE VIII – MEMBERSHIP

Section 1. APPLICANTS.

- a. Any dance group specializing in an ethnic or other internationally recognized dance style may apply for membership. The interested group should submit an application including a copy of the proposed by-laws and a statement listing their teachers' and officers' names, addresses, and phones; the number of dues-paying members; a description of the style or type of dancing, with any historical significance; the class meeting places and times; the names of any national organization with similar dance interests; normal charges for special events; a current financial statement; and the reasons for their interest in joining the IDA. The by-laws and rules must conform to the requirements for membership listed in this Article and must include a pledge to abide by the IDA By-Laws and Standing Rules and the City Park and Recreation Department Regulations.
- b. The application and supporting documents must be delivered to the first vice president of the IDA at least one month before the meeting at which the application will be considered. The leaders should attend a prior meeting of the IDA and give an informal presentation regarding their group and the reason for wishing to join the IDA.
- c. The IDA First Vice President will prepare a summary of the application for the IDA delegates and make a recommendation for approval or disapproval based on the following criteria. The application must be approved by a 2/3 vote of the delegates and IDA officers present.
 - (1) The dance style or type of the applicant group must be a clearly recognized ethnic* type or a well established internationally recognized dance style with some historical significance.
 - (2) The group's dance type must be somewhat different from that of all of the existing IDA clubs.
 - (3) The group must be active and well organized with strong leadership and sufficient members to assure continuing operation.
The primary activity of the group must be non-commercial recreational dance.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

*Reference note: The definition of “ethnic” from the Random House Unabridged Dictionary is “belonging to or derived from the cultural, racial, religious, or linguistic traditions of a people or country.”

Section 2. QUALIFICATIONS. Any IDASDC club or group must:

- a. not discriminate or permit discrimination against any person or class of persons in any manner;
- b. be a non-profit organization with a minimum of three (3) officers functioning as president officer of the club, recorder of official club business, and person in charge of the club’s financial assets;
- c. be located within the geographical boundaries of San Diego County;
- d. submit Bylaws which include a statement that they shall abide by the IDASDC Bylaws and Standing Rules;
- e. submit names, addresses, and phone numbers of club officers and two (2) proposed IDASDC delegates and at least one (1) alternate; and
- f. submit a roster of current membership.

Section 3. MAINTAINING MEMBERSHIP. IDASDC member clubs shall:

- a. Support the IDASDC at IDASDC functions by fostering attendance and by performing the tasks assigned by the Second Vice President and approved by vote of the delegates. Any group unable or unwilling to support a function or to perform assigned tasks will contribute monetary support. The amount for any one time will be equal to twenty-five cents (25¢) per member of the Club with a minimum of twenty-five dollars (\$25.00) or other such amount as may be determined by the Board of Directors. If lack of participation happens often, the Board may recommend that the membership of the club be terminated. A 2/3 vote of the delegates would be required to terminate membership of any club.
- b. submit a current set of Bylaws and Standing Rules to the IDASDC Vice President, Secretary, and San Diego Park and Recreation Department representative;
- c. designate delegates and alternates as specified by Article IV of the Bylaws;
- d. furnish the IDASDC Secretary with an accurate list of officers, delegates, alternates, instructors, and contact persons as they are elected or appointed;
- e. submit, in duplicate, annual financial statements to the IDASDC Treasurer at the beginning of each IDASDC fiscal year (see Article VI, Section 1, a.)
 - (1) Any club whose financial report is not in the possession of the IDASDC Treasurer by 45 calendar days after the beginning of the IDASDC financial year may have their facilities cancelled, with IDASDC Executive Board approval and after notification to the head of the club.
 - (2) Cancellations will take effect seven (7) calendar days after notification to the club.
- f. furnish the IDSDC Insurance Chairperson/Treasurer a roster of current members by October 31;
- g. maintain a non-profit status;
- h. not have persons holding an elected office in more than one (1) member club at the same time;

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

- i. abide by all IDASDC decisions;
- j. abide by the IDASDC Bylaws and Standing Rules;
 - (1) Any member club that fails to abide by the Bylaws and Standing Rules of the IDASDC may be dropped from the IDASDC, and lose all associated benefits, by a 2/3 vote of the delegates present at the meeting;
- k. be represented at all IDASDC meetings;
 - (1) Any member club that is not represented for two (2) successive IDASDC meetings and that fails to answer roll call at the third (3rd) meeting will automatically lose its IDASDC membership and all associated benefits.
 - (2) The IDASDC Secretary will inform the delegates and the Executive Board of the absence at the second (2nd) missed IDASDC meeting.
 - (3) Three (3) letters shall be sent: one (1) to the last known presiding officer of the club and one (1) each to the last known delegates within one (1) week following the second (2nd) meeting advising them of the IDASDC Bylaws attendance requirement; and
- l. upon dissolution submit to the IDASDC a letter stating the reason for the dissolution and a financial statement showing disbursement of all liabilities, assets, etc. These documents must be signed by current club officers.

Section 4. ASSOCIATE MEMBERSHIP.

Dance groups which meet the criteria of Section 1 of this article but do not wish to fully participate in the IDASDC may apply for status as an Associated Club. The obligations of an Associated Club would be limited to an occasional invited performance at IDA events and to publicizing the IDA at their events and classes. Dues would be \$20.00 per year regardless of size.

The advantages to the club in associating with the IDA include the opportunity for exposure through occasional participation in special events and through listing in the IDA membership flyer.

Section 5. SAN DIEGO PARK AND RECREATION DEPARTMENT REQUIREMENTS. All member clubs using San Diego Park and Recreation Department facilities shall:

- a. maintain an active attendance at classes as specified in the Standing Rules;
- b. convene on time and dismiss all classes on time;
 - (1) Any overtime use of the facilities must be arranged at least two (2) weeks in advance with the IDASDC Liaison officer;
- c. not allow smoking in any facilities;
- d. not allow eating or drinking, except by special arrangement with the San Diego Park and Recreation Department and the IDASDC Liaison officer;
- e. not use public buildings for money making activities or solicitations as defined by the San Diego Park and Recreation Department.
 - (1) Member clubs wanting an exception must make a special request in writing, with a proposed budget, to the IDASDC Executive Board for

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

approval, through the Liaison officer, in accordance with Municipal Code,
Section 63.02.13 and 63.0214 (see attachment).

- (2) Submit to the IDASDC Treasurer a financial summary within 30 days after the event; and
- f. leave all buildings clean:
 - (1) clear all trash, e.g. paper cups, plates, etc.
 - (2) remove all decorations, including items put up on walls.

ARTICLE IX – FINANCE

- Section 1.** The financial matters of the IDASDC shall be conducted as follows:
- a. IDASDC funds shall be kept in accounts as specified in the Standing Rules.
 - b. The Treasurer and either the President or Vice-President shall approve all bills drawn on IDASDC accounts.
 - c. The IDASDC will not assume responsibility for liabilities incurred by any member club.
 - d. On the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for educational purposes meeting the requirements of Section 214 of the California Revenue and Taxation code and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE X – STANDING RULES

- Section 1.** There shall be Standing Rules adopted by the IDASDC.
- a. The purpose of such Standing Rules shall be to provide criteria and flexible guidelines for carrying out the purposes of the IDASDC within the framework of its Bylaws.
 - b. The Standing Rules shall be adopted, amended or repealed by the IDASDC as required in the best interests of the IDASDC and its member clubs.
 - (1) Such action shall require a 2/3 vote of the delegates in attendance per Article VI.
 - (2) A change in the Standing Rules can be voted on at the same meeting at which it is proposed.
 - c. Within two (2) weeks of changing the Standing Rules, the Secretary of the IDASDC shall send a copy of the changed rules to each delegate, to each member club presiding officer, and to the San Diego Park and Recreation Department.

ARTICLE XI – AMENDMENTS

- Section 1.** Proposed changes to these Bylaws shall:
- a. be read at one IDASDC meeting and voted upon at the next scheduled meeting; and
 - b. require a 2/3 vote of the delegates in attendance to be adopted.

**BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation**

- c. Within two (2) weeks of the amendment in the Bylaws, the Secretary of the IDASDC shall send a copy of the amendment to each delegate, to each member club presiding officer, and to the San Diego Park and Recreation Department.

ARTICLE XII – PARLIAMENTARY PROCEDURE

Section 1.

- a. In matters of parliamentary law and procedure not covered within these Bylaws, Roberts' Rules of Order (revised) shall govern.
- b. The Vice-President or past IDASDC officer, when appointed by the IDASDC President, will serve as the Parliamentarian of the IDASDC for that meeting.

ARTICLE XIII – CODE OF ETHICS

Section 1. CODE OF CONDUCT. All members and guests at IDASDC and member club activities are expected to:

- a. comply with all the appropriate club or IDASDC Bylaws regarding conduct, membership and attendance; and
- b. conduct themselves in a lawful manner.
- c. Any person obstructing an IDASDC or member club activity will not be permitted to participate in that activity.

Section 2. Maintenance of Order.

- a. The responsibility for maintaining order at any activity rests with the member club conducting that activity.
- b. The responsible club will determine the method to maintain order.
- c. The responsible club will take appropriate action.

**ARTICLE XIV - CONFLICT OF INTEREST AND COMPENSATION
APPROVAL POLICIES**

SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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 2. DEFINITIONS

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

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

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b, 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 3. CONFLICT OF INTEREST AVOIDANCE PRODEDURES

(a) Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) 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 if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

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.

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.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

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.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

The minutes of meetings of the governing 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

- (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.

SECTION 5. COMPENSATION APPROVAL POLICIES

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- (a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
- (b) all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
1. is not the person who is the subject of compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
 3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

4. has no material financial interest affected by the compensation arrangement; and
5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.

(c) the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources
2. the availability of similar services in the geographic area of this organization
3. current compensation surveys compiled by independent firms
4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

(d) the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

1. the terms of the compensation arrangement and the date it was approved
2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
3. the comparability data obtained and relied upon and how the data was obtained.
4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

SECTION 6. ANNUAL STATEMENTS

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

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the corporation 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.

SECTION 7. PERIODIC REVIEWS

To ensure the corporation 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, and the result of arm's-length bargaining.

BYLAWS of
THE INTERNATIONAL DANCE ASSOCIATION OF SAN DIEGO COUNTY,
A California Public Benefit Corporation

- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation'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 in an excess benefit transaction.

SECTION 8. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

END OF IDASDC BYLAWS